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**MBA Dissertation**

The Working Principles of Hunger Marketing in  
Motivating Consumers

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## **Abstract**

### ***Purpose***

With the development of different marketing skills, hunger marketing as a new-born approach has come into the spotlight. This paper is going to dig out the principles behind hunger marketing.

### ***Design/Methodology/Approach***

A model relating dependent variables like restricted supply, envy, unfairness feelings and independent variables like the effectiveness of hunger marketing are created through studying others' theories and frameworks. In order to test this model and collect numerical data, a questionnaire is designed to quantify the value of each element and verify the hypothesis in literature review.

### ***Findings***

It is proposed that restricted supply, degree of envy and unfairness, the performance of hunger marketing are positively influenced to customer behaviour. However, from results of questionnaire, it seems that negative feelings of customer are not as strong as it supposed to be.

### ***Limitation of Research***

The model built in this paper could be further explored through real case studies in different industries.

### ***Value of the Paper***



This paper draws on theories and existing motivation and expectancy theory in consumer behaviour to develop methods, and a framework to evaluate the principles and prerequisites of hunger marketing. We think this paper is meaningful for the use of management teams of enterprise, marketers, and academic researchers when studying hunger marketing approach theoretically and practically.

***Keywords***

Motivation, envy, unfairness, restricted supply, hunger marketing, delayed gratification, individual needs, social motives, reference group, social pressures, differentiation, marketing strategy, XIAOMI, APPLE.



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## **1. Hunger Marketing**

### **1.1 Introduction**

Hunger marketing is a marketing strategy which aims to increase brand awareness by restricting product supply. This paper is going to find out the working principle behind hunger marketing in consumers' needs and motivation area. Questionnaire, as one of quantitative methodology, will be used as the tool to do the research.

### **1.2 Research Background**

In recent years, with the development of social economics, people's living standard has enhanced. In the meantime, with more spare money in the pocket, people begin to show more interests and purchasing desire in high technology products: smartphone. Some of the consumers even have several phones for daily use. The evolution of mobile phone becomes increasingly frequent. Some smartphone suppliers utilize consumer psychology such as the satisfactoriness, content with rare for expensive to improve visibility of their brand names quickly, then they develop 'hunger marketing'. For example, in our daily lives, it takes a long time in new car purchase process: paying the deposit first and then waiting. We need to pay the deposit to reserve the right to buy the car, because they are 'over popular'. Even when buying iPad and iPhone, we can find the golden edition which is likely to be a limited edition. Even more, some consumers can endure a confrontation, just because all of them want to buy the 'only one left' product. Many people indicated that 'hunger marketing' is the main marketing strategy of XIAOMI, followed by APPLE. For the



consumers in the domestic market, 'hunger' constitutes the success of this marketing skill, by which marketers often say 'short supply'. People even think that XIAOMI probably is on purpose of restricting the quantity of supply rather than really lacking the capacity. This is a unique but effective marketing method in establishing the brand awareness and popularity. By publishing the news like 'our stock sold out in 1 hour', the companies could successfully arouse the people's buying motivation, and it helps build the company image. Especially, a smartphone supplier like XIAOMI which only has advantages in design and online sale becomes very popular in China within 3 years. Its hunger marketing strategy has a crucial role to play in this mature smartphone market.

### **1.3 Objectives and Research Question**

#### **1.3.1 Objectives**

The purpose of this study is to identify motivation and social impacts on consumer behaviour to find out the working principle of hunger marketing in smartphone industry. The restrictions and prerequisites will be discussed at the end of this paper. By quantitative methodology, the paper is going to identify the relationship between consumer motivation and restricted supply in young generation.

#### **1.3.2 Research Questions**

- Will hunger marketing trigger individual needs? The paper is going to find out whether hunger marketing is able to create purchase desire. Apart from curiosity, what kinds of marketing effect are





brought by hunger marketing? Personal needs or brand awareness?

- What is the role of social groups in hunger marketing? As a social being, individual living on the planet, may and will be influenced by others. Ideas generated by himself or being swayed by others have a vital role in decision making process. So what exactly does social group do, when they are facing 'unfairness',
- To provide a new angle of hunger marketing strategy, what other factors should be considered to strengthen its marketing effectiveness, if necessary or possible.



## **2. Literature Review**

### ***2.1 What is Hunger Marketing?***

The increasingly fierce competitions in business are now triggering new marketing mind set, and hunger marketing is a result of homogenization and needs manipulation, which is a great progress made by marketers. Companies like APPLE, XIAOMI (a Chinese cell-phone manufacturer), and HUAWEI are now fulfilling this tactic in China in selling smartphones. Interestingly, XIAOMI Inc. is a new star which grabs many people's attention by hunger marketing. It is difficult to say that without hunger marketing, XIAOMI is unlikely to succeed in the smart phone's competition. But things go easier to understand, if hunger marketing is considered as a tool to grab consumers' attention. Hunger marketing has more money-saving and effectiveness to companies, when it is compared with traditional advertisement and other marketing campaigns.

Hunger marketing is a marketing strategy that in order to control supply and demand, which means the goods providers reduce production and subsequently demand is created. Meanwhile, these commodity suppliers are able to maintain the relatively high price and profit throughout the transaction. Also, it is a way to protect brand image and add value to the products. A good example is limited edition in car industry. Limited purchase right with extremely high price make queues longer and longer. The shortage of supply means supplier owns stronger bargaining power. For these brand fans, desires are created during this marketing campaign. For those



companies who use hunger marketing, brand awareness is built and a tangible value is added.

When curiosity is cultivated, it tells the public that in order to ensure the quality of product, only limited quantity will be released in a short period (e.g. First month). At this moment, customers are involved in hunger marketing.

## ***2.2 The Meaning of Hunger Marketing***

The best thing is what we can never get, said by Bolman (2013). People tend to prefer to get what seems more difficult to get. This is what most people think. Consumers are likely to be inactive, lazy, careless and inadvertent dealing with stuff which is easy to handle. People care about money, not only because money can be used in the transaction, but also because it's on difficulty level. To organisations, when applying hunger marketing, several benefits would come along: firstly, putting companies into the supervisor status when hunger marketing is able to control the interaction of supply and demand. Controlling the quantity of goods that consumers interested in gives organisations a leading position in transaction. The less the consumers can get, the more enthusiastic customers are likely to be. Secondly, hunger marketing is able to help organisations enhance the ability of risk avoidance. The quantity released to the market depends on demand curve of the market. The curve varies from factors to factors. It is unpredictable and inevitable where constrain supply means better flexibility. On one hand, if the market is booming, hunger marketing can stimulate potential consumers. On the other



hand, companies are able to reduce the cost on manufacturing if demand curve goes downward. Limited manufacture brings flexibility and adaptability to the company in an unpredictable market. Hunger marketing emphasizes on quick production within a short period which contributes more than just resisting risk of demand change. It also brings benefits on shorten payback period: investment can be paid back in a really short period, and be reinvested in next manufacturing line and be used in developing a new technology. By trying to reduce the inventory to zero, organisations are able to control the investment on raw material. These investments are called efficient investment, and it is a good way to increase the company operating efficiency. To summarize, what hunger marketing brings are high customer expectancy, high company capital efficiency, low risk of full inventory. It divided the market into several pieces by time axis. Thus hunger marketing makes the market become more predictable and clarified.

When mentioning marketing strategy, educating consumers may come into the spot light. Wilson (2008) believed that marketers do not create needs but can make consumers aware of them. Educating markets is an action like nurturing babies. This nurturing should be 70% full and leave 30% hungry. 30%hunger is the motive to keep babies a fairly good appetite. Otherwise, even the perfect products can result in a bad temper and food resistance. Companies are better to integrate 'hunger' thinking in manufacturing and operation. Dividing the market into several pieces will keep company at low and acceptable risk, while well developed products and consistent



differentiation would be great stimulation driving the hunger marketing forward.

### ***2.3 Social Needs and Motives***

Hunger is a need for food and water. People may go to a shop and pay money for food when they are hungry. It seems that there is a connection between needs and sales. The answer to the question starts from the definition of goods.

In economics, goods are materials that satisfy human needs and provide utility (Murray, 1987). So the goods are meant to meet the demands from customer, and the more appropriate goods the companies provide, the more products can be sold. Then what does it mean of 'Needs'?

#### **2.3.1 The Development of Needs Theory**

Needs are the vital concepts in marketing. William James (1890) and William McDougall (1923) made lists of instincts that were seen as a primary classification of behaviours, being simple and complex. Early in 1970, Abraham Maslow came up with a well-structured hierarchy of needs. In this hierarchy, Maslow says people's needs are fulfilled in a certain sequence. Only when lower needs are satisfied, consumers will be looking for higher level. There are five segments in the hierarchy: Physiological, safety, love/ belonging, esteem and self-actualization. People have basic needs for breathing, food and safety. They belong to physiological needs. That is to say, people

could only be motivated when basic needs like physiological and safety needs are satisfied. Maslow's work is originated from digging people's motivation. And from his study, it is easy to find out a relatively appropriate and easy way to motivate employees at work. This is not directly linked to marketing purpose. Maslow's study is about motivation and it connects people's motives to ordinary behaviour (Wahba and Bridwell, 1976). However, it gives an implication on consumer behaviour. Then moves to year 1980, Solomon classified human behaviour into two specified categories: innate needs (primary needs, which are innate or biological needs) and acquired needs (secondary needs, which are needs that have been socially and culturally acquired through interaction with others). However, these were only the description of needs. A structural principle is needed to describe the interactions between the needs and their fulfilments. Apart from this, the theory of Plato's divided soul (Wright, 2006) pointed out that customers behaviour can be motivated by needs and people are with three basic 'brains', the rational (the head), the emotional (the heart) and the instinctive (the gut) (see in figure 2.3.1).

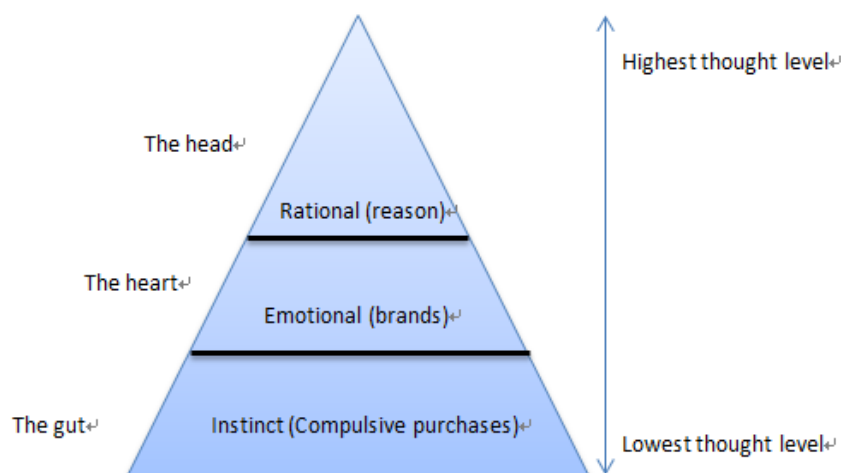


Figure 2.3.1 Plato's divided soul



The theory defines different purchase behaviour with different level of thought. According to Plato's divided soul theory, people buy things based on the mix of these three 'brains', but only one of the 'brain' plays most important role in the process of decisions making. For example, hunger means needs for food. This is a rational need for survive, while emotional people can stand in the queue throughout the night for one final world cup ticket. This queuing behaviour is more of irrationality and passion. What is worse, purchase behaviour sometimes can be variable and unpredictable for 'instinct buyers': impulse purchases such as chocolate, alcohol and cigar. So what exactly does hunger marketing do based on need theory?

Wilson (2008) believes that marketers do not create needs but can make consumers aware of need. Hunger marketing starts from the concept of hunger. Hunger seems to be classified into 'Hygiene factor' (Herzberg, 1966), and different with Abraham Maslow's hierarchy of needs (1954), Herzberg thought that physical needs cannot increase the customer satisfaction level, while only 'motivational factors' can. Hunger marketing referred to both theories, and was designed to motivate consumers to be aware of their potential needs. For example, mobile phone distributors – XIAOMI aroused the awareness of consumers who are eager to buy relatively cheap product with best value. Besides, research shows that about 70% to 80% of customers purchasing products for emotional reasons, particularly when the products are tied up to the brand (Zajonc, 1984). From this, the success of hunger marketing links to 'manipulate' consumers' needs and wants according to all marketing methods (details will be



presented in the main body). Indeed, from psychological perspective, it is a normal phenomenon that people intend to be noticed and assessed in a higher social class in China. This is a motivational need, which is called a sense of existence. When APPLE launched IPHONE in China on an expensive price while restricting the amount of supply, not everyone, even the wealthy people can approach it. It is the desire that hunger marketing makes people feel the needs. In APPLE's case, it is the need of social status. In the work of Harry Harlow (1958), there is no doubt that man and most animals are social beings and they are eager to have the need to be with others. And what is more interesting, the social need appears to have both an inherited and socially learned content.

However, beyond bringing awareness, marketing has other functions. According to established models of hunger marketing, it guides peoples' decision-making process from the perspective of motivation. Constrains in supply is a process of stimulation, envy, born as an emotional motives in peoples' mind, can sway and even change people's rational decision (Michelle, 2012). Michelle explained the possibility of decision making interfered by introducing emotional factors like unfairness and envy. But all of that are emphasizing on motivation and stimulation, but not creation. Is that true for all age ranges?

In Plato's divided soul theory (Wright, 2006), rational and emotional choices are based upon the gut, which is an instinctive action that is not likely to be explained. People might see such a scenario: a traditional girl may unexpectedly go to a clothes shop and buy a





hip-hop style T-shirt. Why is that? Researchers found it is a result of combination of many components and variables: this girl may be persuaded by her friends to join a hip-hop party, or it is because her boyfriend asked for it, or because the T-shirt is a limited edition. Apart from uncontrollable variables like weather, atmosphere, and others, action like impulsive purchase is a result of emotion. And it can be swayed or influenced by others: social members. Chaudhry (2013) insisted that consumers can be educated. And educating consumer is more than swaying existed opinion, but is a process of creating needs, which can convince consumer to have unexpected performance.

### **2.3.2 Social Impacts**

In the work of Ray Wright (2006), wants are the products and services required by customers to satisfy their needs. Needs are generated internally and learned externally. However, it varies from country to country and religion to religion. In all cases, what are not changed are the social needs for social beings, while marketers often link the product to the customer needs, which is called term translation. Term translation is a process of needs' awareness. In IPHONE's case, high price tells people low-end consumer is not able to approach this product. In the meantime, hunger marketing indicates that even wealthy customers have to wait until supply achieving the needs. The item IPHONE now has changed into 'the most unachievable smartphone', 'a symbol of wealth', and 'a symbol of good taste' by hunger marketing. Hereby, owning an IPHONE means ego development. Apart from symbolic meaning of marketing, Harry (1958) also pointed out that social motives have an impact on



comparisons. Neglecting the fact of under-supply, 'Why can others get a good smartphone like IPHONE, while I cannot, that is not fair', consumers may say. This is the result of social motives interaction (Ray, 2006): the impact brought by those who had achieved the goods while others did not will continuously create feelings like envy and desire. To explain this, Stacy Adams (1965) used equity theory putting forward that 'although initially satisfied, people will go on to compare various situations they find themselves in the same or similar positions with others and will become unhappy if any unfairness or inequality is perceived. Then they will attempt to modify their behaviours in some ways so as to rectify these grievances'. To summarize, equity works in two ways for studying consumer behaviour. Firstly, the inequity in suppliers and buyers could result in consumer dissatisfaction and the motivation to restore equity. In 2003 Armstrong provides some examples of the restoration among customers and suppliers. In hunger marketing's case, when the resources are restricted, unfairness is born. But it is the unhappiness drives consumer to stay all night, just for the right of first refusal. On the other hand, customer satisfaction does not necessarily mean equality or an equitable relation.

In Adams (1965) equity theory, despite from the struggling to 'correct' uneven, he also mentioned constant grumbling as a result of feeling unfair. Grumbling is a negative feeling judged by Keith (1994). And commercial business is not likely to welcome negative feelings. Should it be eased or 'corrected' by marketers? Davenport (2013) proposed a study of Attention Economy, which comes up with opinions that attention is the real currency of businesses and



individuals. And grumbling is a root causing immeasurable economic impact in business. Davenport treats attention more valuable currency than the real paper money or bank accounts. He thinks understanding and being able to manage attention is now one of the - most important determinants of business success, because achievements like brand awareness, loyalty building, and low cost marketing is possible to achieve after arousing awareness. And this is indeed what marketing is now doing. From this, what hunger marketing achieves is not only about motivating the needs, but also the attention economy for further operation. Thomas Davenport (2013) and Beck (2013) wrote in their work that attention economy is a new economy, where labour, capital and information are abundant. So traditional promotion campaign will and already has taken commercials into vicious circle, costly and low efficiently. So what hunger marketing do is not only stimulating people's purchasing intention, but also taking the company into the spotlight. It is true that attention comes from unusual or special items (Peter, 2013). So hunger marketing achieves its commercial target by 'different from others' move: not meeting all the demands from their customer, which goes against the ordinary consumer-leading economy.

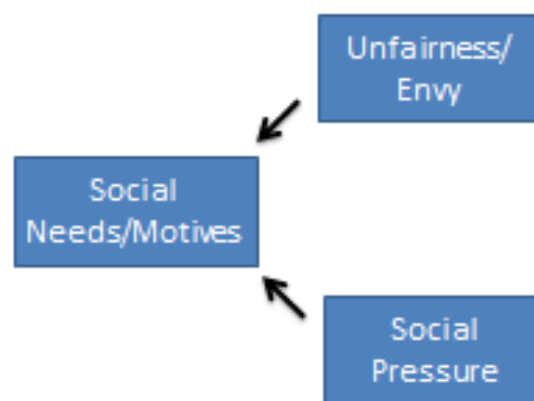


Figure 2.3.2 unfairness and social impacts



In unfairness and social impacts model (refer to figure 2.3.2), people's social pressure comes from their social network, namely social pressure. Reference groups have an impact of influencing. Consumers suffer from social pressure when they are different from others. People tend to be at the same level or same group with their friends. For example, high class group have an intention to buy luxurious products while anyone who want to join this group, is supposed to have such a product. Besides, being with similar tastes and favourites will help group members establish a closer and consolidated feeling. Unfairness and uneven feelings are born when consumers are treated uneven. By uneven, it does not mean being bullied or violated. It is a feeling connected to individual's purchase status. More specifically, when individual's buying desire has not been fulfilled, people are getting frustrated, while others are able to do what they cannot. This unfairness and envy have a power in pushing individuals to meet their initial demands, sometimes even sacrificing everything to meet that goal. Hunger marketing uses this sort of irrational emotion: creating a sense of envy by under supplied goods, and keeping telling consumers that they might be the next lucky person. It sounds like a gambling, where consumers' mind-set is similar to the one in hunger marketing.

Defeating the opponent by a surprise move (Watson, 2007) does not mean hunger marketing has nothing to do with traditional marketing strategy. As in the previous parts, it still aims to attract more consumers by providing symbolic terms.



### **2.3.3 Restrictions**

There are restrictions in needs theory when applied to purchase process. Although Herzberg's dual factor theory is originally applied to job satisfaction of employees and often referred by managers. In 1976, Jacoby emphasized the importance and applicability of this dual factor model for the customer satisfaction study. However, restrictions occur when applying dual-factor theory in consumer behaviour research: as Jacoby said in 1976, Herzberg's core ideas are closely linked to variables of human satisfaction and dissatisfaction, being not relevant to performance. Thus, the model cannot be explained entirely in consumer's purchase process.

### ***2.4 Motivation - Expectancy Theory.***

Knowing the principle of customer needs can help understand the manipulation in hunger marketing. In motivation theory (Cofer, 1964), the nature of motivation is to satisfy the needs which never be fully satisfied. From this, motivation is closely linked to expectancy. And the market is the place where product suppliers are meant to meet consumers' expectancies.

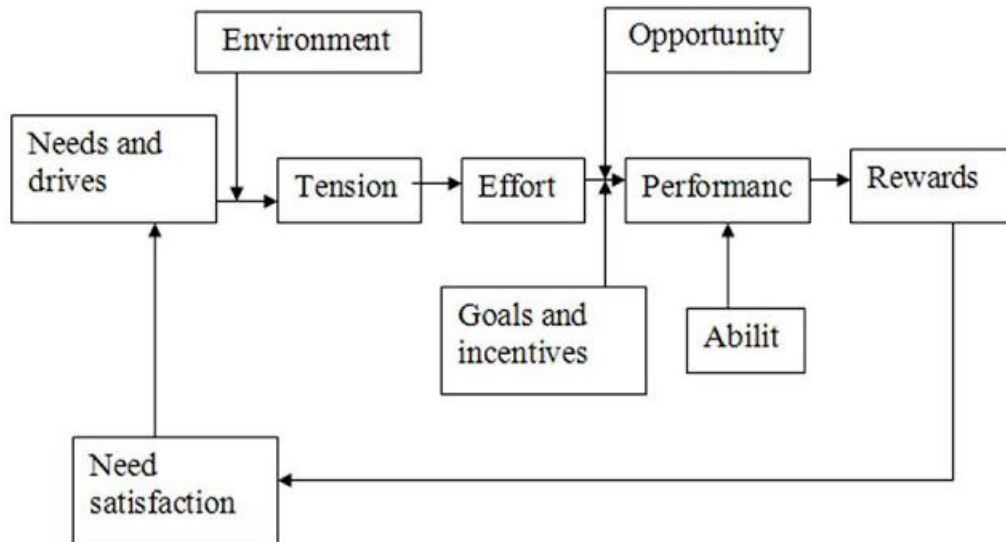


Figure 2.4.1 the process of motivation (Fred Van Raaij, 1977)

The graph (figure 2.4.1) shows the process of how people getting motivated. In order to make people feel the needs are born inside them, not being taught or given, businessmen and marketers are implementing this into the marketing process. In the motivation process, there is a need generated inside the consumer, recognized or potentially. To those needs which are exposed to consumers themselves, a will to satisfy the needs becomes drives pushing people to carry on economical exchanges. If consumers are properly motivated by referring to this motivation process, even a little investment can produce immeasurable results. And by giving tension and opportunities, 'hunger marketing' is taking full advantage of motivation process to stimulate customers to get involved.

Victor Vroom (1966) argued that motivational drives are the results of rational calculations made by people among anticipated rewards, the value of the reward and the costs/effort involved in achieving the reward. He calls this expectancy theory which can be applied into



hunger marketing, to explain how expectations driving the customer's purchase behaviour which is not available now. Basically there are three components in expectancy theory:

- Expectancy: the probability level that the reward might be achieved.
- Instrumentality: the probability the performance effort needed will lead to the desired outcome.
- Valence: the value the individual places on the rewards of an outcome, which is decided by their needs, goals, values and Motivation Sources.

The effect that expectancy theory brings depends on expectancy and valence, namely  $\text{Motivation} = \text{Valence} \times \text{Expectancy}$ . Only when customers highly expect to own the product and put relatively high value on the product, they are motivated to afford it. Creating the customer needs and expectancy by differentiating the products and then making consumers believe that they eventually are able to purchase if they get involved (instrumentality).

The expectancy model has been influenced by Lewin's (1938) field theory. So it involves the cognitive analysis like desires, expectancies, and results in the psychological area.

'This theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients', said by



Montana (2008). What Montana said helps us understand the importance of positioning and targeted customer's selection. Right product is prepared for the right people. But even if the right customers are ready, can hunger marketing always make goods under-supply? The answer may be no. Rewards, for example, the numbers customers get in the queue can help keep people appetizing, while there is still hope to get the products. But Radhika (1996) put forward his drive reduction theory that once the expectancy is satisfied, the drive is reduced and the organism is no longer motivated to act. Consumers have needs and expectancies, but the expectancies need to be kept fresh. Wilson showed similar opinions in 2008, new needs will emerge as old needs are satisfied, and new goals will replace those old ones which have been achieved. That is to say, people, as individuals will always have needs, where traders and marketers can always make effort to grasp peoples' eye by providing buying motives. Thus, there is an implication that new motives and incentives should be given in applying hunger marketing for the long run. In current smartphone industry, according to Moore's law (1965), the number of transistors in a dense integrated circuit doubles approximately every two years. And the period seems to narrow down within one year, which means every year, smartphone industry can release a new edition. Fast and continuously development is the key drive in electronic industry, motivating consumers to update their handsets. From a long term point of view, it explains why hunger marketing can stimulate the market and motivate both new and previous customers to buy the product.



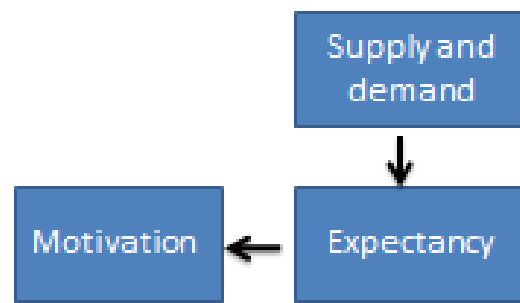


Figure 2.4.2 Motivation Process

Referring to figure 2.4.2, what supply and demand changes is consumers' expectancy: A desire to acquire the product. By changing the relationship between supply and demand, valence is born after people's needs, socially and physically. Motivation is getting higher when the value of Valence x Expectancy getting stronger, while restricted supply could help enhance the level of valence. Instrumentality is a tool used by marketers to get consumers involved. Similar to word of mouth, people's grievances of inability to buy the product helps arouse others' awareness.

Walter Mischel (1976), a psychologist now at Columbia University takes this phenomenon as delayed gratification. His experiments in the marshmallow test, as it comes to be known, laid the groundwork for the study of consumer behaviour. Walter (1976) indicates that in general, people who are less successful at resisting the marshmallow all those years ago performed more poorly on the self-control task as adults. In another word, they are more easily influenced and swayed by the others, say, reference people, and those with same ambitions. Theoretically, hunger marketing shows its power on directing



consumers' consideration on decision-making process. Once people make up their minds and pay for the purchasing right. Hunger marketing further brings delayed gratification as soon as the consumer gets the product. Walter Mischel (1976) finds delayed the happiness could bring happiness twice to the subject person. People get satisfied once they are qualified for the purchasing right after long time waiting, while they would generate more gratification when the product is delivered to their hands. Thus, the decision chain returns back to consideration process. And more gratification may be generated by those who have experienced the sense of superiority in restricted goods.

About delayed gratification, however, Joseph McGuire in 2012 demonstrates that people cannot consistently generate satisfaction in case of being kept 'hunger'. That is to say, there is a restriction in applying hunger marketing. Different than limited edition, hunger marketing is a tool targeting at every competitive product, not just valuable ones. From this, time turns out to a concern for marketers.

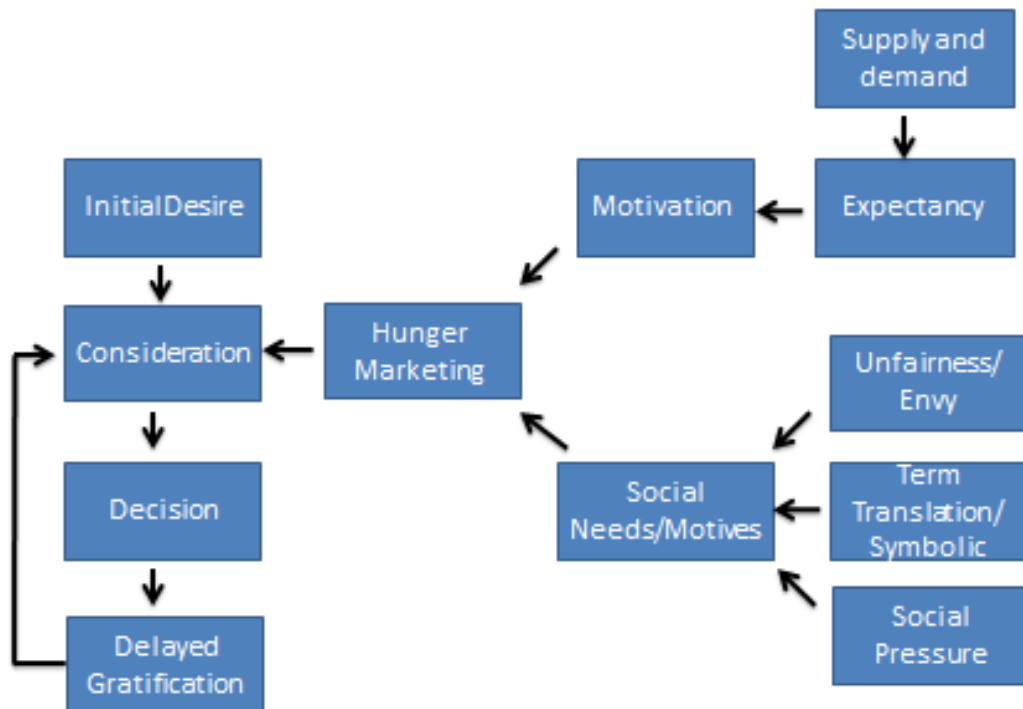


Figure 2.4.3 models of hunger marketing

To summarize (referring to figure 2.4.3), needs theory helps build the applicable foundation of hunger marketing, while expectancy theory drives people's minds into a higher degree of 'hunger'. So the two theories are not divergent. They are mutually contributing to influence customers' decision making process radically. To organizations, what they do basically is changing the relationship between supply and demand. Due to restricted supply, products become scarce resources, and referring to expectancy theory and people's social needs, the consumer's buying desire can be 'manipulated' growing stronger by term translation. It becomes an emotional choice for the buyers when their reference people have a social impact on them. The emotional will for higher achievement, power and social status as a social being (McClelland, 1977) may stimulate consumers make emotional, or even instinct decisions in buying process. Hunger marketing takes advantages of 'uneven'



results by controlling the amount of supplies to constantly motivate people who have a feeling of this unfairness. And the more 'envy' they are, the higher motivation turns out to be. Hunger marketing provides multiple motives to fulfil its sales increasing purpose. On the other hand, hunger marketing brings the commodity and goods into an attention economy time (Davenport, 2013) and the immeasurable economic effect which has been explained in previous paragraphs. By term translation, hunger marketers give customers delayed gratification, which is a natural choice from customers (Mischel, 1989), told by marshmallow test. When marketers use term translation and show symbolic words or items which 'happen' to meet consumers' initial needs, terms would be another motivation driving people's mind, and more than being a drive on people's decision making, it can 'help' reduce the decision making process (Kotler, 2013), then preferred brand or product is born. Furthermore, consumers, as social beings, cannot entirely ignore or neglect pressures from the society (Kapoor, 2013), which means, the majority of people are likely to be followers. The Kapoor has put emphasis on reference group who may have a direct or indirect impact on consumers. In the meanwhile, if others in the brand community get the product while other consumers do not, emotional pressure from others is likely to be a motive driving consumer to the specific brand.

## ***2.5 Hypothesis***

The first part of this paper has given a clue on factors that takes effect on hunger marketing: social motives, reference people and people's expectancy. But which one comes firstly into consumer's mind when

facing hunger marketing product? Furthermore, what motivation theory and needs theory do not mention is whether hunger marketing can do more than just reinforcing the purchase intention: change the final decision of brand selection, more specifically. So after knowing the basic principles and factors supporting hunger marketing operation, this paper is going to find out what hunger marketing is changing, strengthening the initial desire, or bringing a new brand? What is more, to entirely understand this marketing strategy, the prerequisite will also be discussed in the essay. In what situation can the organizations be able to bring changes by means of hunger marketing? Besides, at the end of findings, the paper will give some hypothesis based on all the study findings.

### **2.5.1 First Hypothesis**

H1: Higher social impacts will result in a better hunger marketing effectiveness. They are positively connected.

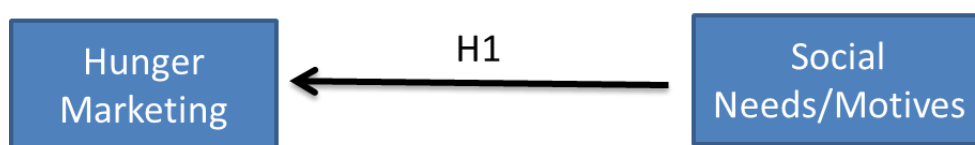


Figure 2.5.1 Hypothesis1

From literature review, we know that there is an internal connection between social needs/ motives and hunger marketing. Hereby, higher social impacts comprise of social pressure, the persuasive power of reference group and the popularity of goods (which is also affected by social groups). Social pressure comes from private or business networking. Friends, for example, may peacock the things you do not



have. This is an ordinary human behaviour intending to attract other's attention, from Brian (2000). And this behaviour brings two sorts of social impacts on others: negative and positive. The showing off behaviour could unexpectedly trigger negative feelings like jealousy, where people are emotionally affected. On the other hand, from a more positive perspective, people who show off may probably achieve their initial purposes: be unique and subsequently gain more respect. Whatever the result is, the social groups may and is able to influence individual behaviours emotionally and physically afterward.

Marketing, involving promoting a product or service to the targeted customer, aims to create a recognized brand and raising company profits, said by Burns (2006). The effectiveness of hunger marketing means the degree of brand awareness created by hunger marketing campaign. Especially for a new brand of enterprise, marketing is a tool to start and penetrate the willing market. It is not the commodities good or bad that arouses consumer's recognition, but is the marketing campaign that brings the product into the spotlight in certain industry. Whether the hunger marketing is good or not, depends on how many potential customers can be involved, and being introduced to the brand. To simplify the situation, we will only use the quantity of customers being involved as variables, not precisely the number of potential ones.

Social needs, which can and may, give rise to a social impact among individual networks. To be more specifically, consumers' behaviours are affected by others. When people start to talk about the product, argue on the product, and even the envy created by unfairness are



able to give birth to a better marketing effect, which brings greater brand awareness. Things go easier to understand if we take 'notice' into consideration. Brand awareness, is linked to attention, while, others, like argument, discussion, and chats in people's leisure time will give birth to attention. So there is an internal connection between social needs and the effectiveness of hunger marketing which pays more attention to the importance of attention (Davenport, 2013). And the connection seems to be positive.

### **2.5.2 Second Hypothesis**

H2: The effectiveness of hunger marketing will increase by a stronger feeling of unfairness.

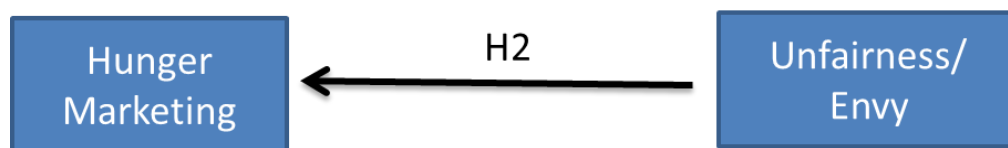


Figure 2.5.2 Hypothesis2

Hereby, unfairness means inequity. The feeling is born after smartphone supply being restricted. Due to limited amount of products available to the public, consumers are destined to get the products partially, while others cannot. It is a little tricky when thinking it a bit deeper: it is undeniable that the purpose of marketing is serving the consumers' demands. To arouse the public awareness, marketing campaign aims to 'raise the attention, interests in it, create a desire and encourage action to buy it', said by Boone Louis (2013). It does not make any sense when hunger marketing encourages restricting supply which obviously goes against marketing original



purpose. Things may be clarified when reconsidering the marketing target. Meeting customers' demands and feeding hunger is just a process that marketing brings, not its initial targets. It is the brand awareness that makes up the core definition of marketing (Vargo, 2004). Whatever marketing does brings attention in the beginning and eventually stimulating sales. More interestingly, unfairness is a deliberately created result for cultivating awareness. Different access and purchase right seems to support this opinion.

Besides, unfairness is a negative human feeling, said by Ben-Ze'ev (1992) which may result in impulsive behaviours positively or negatively. The results are influenced by the unfair factors, which are under supplied smartphones in this context. But, it seems that under supplied smartphones are not obviously right or wrong. It is just a marketing tool used by organizations. However, providing unequal purchasing rights to consumers could breed negative feelings like envy, which may cultivate potential threatening behaviours. In year 2012, APPLE, a multinational corporation selling consumer electronics, computer software, online solutions, used hunger marketing. They created a need by hunger marketing for iPhone, their smartphone brand. Not everyone can buy the product even you can afford it. All consumers had to wait in the queue, while illegal dealers had stimulated a higher price where people can buy iPhone instantly, without the queue. But things went out of control when a Chinese young lady in 2013 sold her kidney just to pay the unbearably high price from this 'available channel' (Cunningham, 2013). It sounds unbelievable, but it happens. Examples like stealing iPhone and iPad during their delivery period can also be seen in the newspapers



headlines. All of these unfair behaviours are born under negative feelings like envy and feeling unfair. Although hunger marketing may result in unfairness and bias, attention on the brand is always what marketers emphasize.

Ethical factors in hunger marketing aside, this unfairness do strengthen consumer's buying will. And it can be concluded from last paragraph that the stronger the biased feelings are, the better hunger marketing effectiveness is.

### **2.5.3 Third Hypothesis**

H3: Restricting the supply of production is able to improve the effectiveness of hunger marketing. But they are not mutually making progress for long. In other word, restricting supply is not going to work eternally.

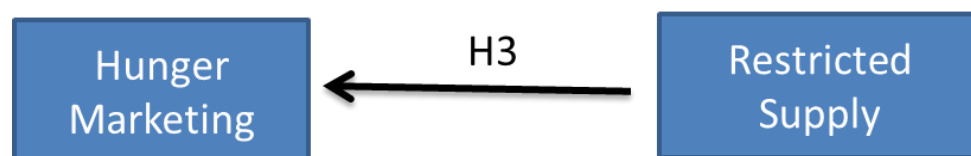


Figure 2.5.3 Hypothesis3

Restricting the demand of supply is an action or tool that hunger marketing applies. From literature review, there is a positive view on the relationship between limited supply and its results. They are positively connected and have a cause and effect relationship. More specifically, by restricting provision, marketers intend to positively stimulate consumers' buying will. And because of social needs cultivated by reference group and individual needs created by



increased 'hunger', the effectiveness of hunger marketing is consistently getting stronger. However, there might be a boundary at a certain level. That means, to a certain degree, restricting supply may and could inhibit the progress of hunger marketing. Nelson said in 2007 that, personal motives cannot be enhanced endlessly by hunger if the 'hunger' reaches its limits. Studies in psychology once indicate that people under intolerable emotions could trigger unexpected social behaviours. From this perspective, there is a certain life cycle for actions like restricting supply. After the peak point of this curve, which is named threshold in statistics studies, the effectiveness of hunger marketing is supposed to endure a gradual or enormous decrease, instead of consistently increase or stay at peak level.

After knowing people have a threshold for bearing unfairness and motives, marketers should reconsider the process of hunger marketing: apart from just restricting products supply, what else should improve and perfect this marketing tool. Things may go clearer if we take Victor Vroom's expectancy theory (1966) into consideration, regular rewards might help. If people are tired with being in suspense in this 'hunger game', then rewards would be a best cure. For example, during the product life cycle, lifting the bans in sales at some time will not only rekindle people's passion, but also increase company's sales. To sum up, restricting supply can but cannot always boost the effectiveness of hunger marketing. Others actions like open sales might help keep hunger marketing working.



### **3. Methodology**

#### ***3.1 Introduction***

There are three research approaches to choose: qualitative, quantitative and mixed method. The difference among three approaches is that they 'represent different ends on a continuum' (Newman, 1998). According to John (2013), the distinction between qualitative and quantitative research is using different words and numbers, or ending up with closed- end and open- end questions. The two approaches have evolved along the history: from the late 19<sup>th</sup> century, quantitative approaches had been popular around the world. Until middle 20<sup>th</sup> century, qualitative methods and mixed approaches became increasingly popular than the previous one.

Generally speaking, qualitative research is a way used in understanding the meaning individuals or groups ascribe to a social or human problem (John, 2013). Williams (2011) thinks that quantitative research is a method that involves numeric data and statistical measurement in the process of investigation. This methodology is more about building data and analysing data from particulars to generic topics.

During 19th and 20th century, the quantitative research method is mostly used relating to the post positivist worldview and it is mainly seen in psychology area. Experiments and quasi-experiments (Campbell, 1963) are included in quantitative approach. There is also a non-experimental quantitative research which is called



casual-comparative research. From the statistics, people use quantitative approach studying the correlation between two kinds of variables which will be described next. Quantitative approach is a method for testing objective theories, by means of examining the relationship between variables. And there are independent variables and dependent variables. A variable means an attribute which can be observed or tested and it varies case by case. Independent variables are the key changes, which may result in a new outcome if it is different. Dependent variables are those which vary based on the change of independent variables. Other dependent variables are, according to John (2013), criterion, outcome, effect, and response variables. In the quantitative research, variables are important and the key to identify three elements: cause, result and the correlation between the two. Quite often, the key causes, results and degree of relationships are analysed to answer a phenomenon, or a research question. And writers or other researchers could make predictions referring to the approach and findings.

Factors stimulating consumer buying behaviour are independent variables. For example, the restricted supply is the key in producing the consumer needs. Subsequently, consumer's needs are the dependent variables stimulating people to implement buying behaviour. But the needs are influenced by the degree to which supplies are restricted. This paper is going to use quantitative approach and collect data by questionnaire.

### ***3.2 Assumptions***



Principles behind hunger marketing are massive. They connect to consumer psychology, operation management, public relationship management, and consumer behaviour. While in consumer behaviour area, more than motivation theory, reference group effects theory, and involvement theory works. This paper is going to use quantitative research approach to collect data in the area of consumer needs theory, and how consumers would be influenced under hunger marketing.

To simplify the research model, several assumptions have been made before building models.

Assumption 1: Consumers have the needs for smartphone, but they hesitate to choose a preferred brand within huge brand pools. Besides, consumers have no bias on each brand.

With the development of modern technology, smartphone becomes prevalent all over the world. They turn out to be essential toys for a wide range of people, including young teenagers. Like other products, cell phones play a vital role in modern life with the spread of high speed mobile internet. The research data will be collected from people who are willing to have or already had but want to change a new smartphone. So this sort of basic needs will drive them to pick a preferred phone in the environment of highly homogenous brand.

Assumption 2: the suppliers are targeting the same market level. All high-end, low end market will be replaced by middle market, and



suppliers will compete with each other targeting the group of people with almost the same income.

This hypothesis puts every supplier in the equally same market. That means there is no need for consumers to worry about budget for the phone. In ideally equal competing environment, consumers could purely make the decision followed by their inner desire. Therefore, when the inner desire is 'manipulated' by others, such as reference group, suppliers, or vanity, the data can easily prove the existence of 'manipulation'.

### ***3.3 Research Strategy***

The research method of this study has been chosen to meet the purpose of collecting and measuring the contribution and relationship of variables in a numeric form. The data will be the latest and first-hand information (Creswell, 2013) to make inference.

### ***3.4 Why Questionnaire?***

Questionnaire is a quantitative mean of data collection. It has included the evidence, data and information expressed in numerical ways. Based on first-hand numbers, people can make a judgement of what the majority of people is thinking, or even deduct the root of why they behave in this way. Information in questionnaires can also be used to plot future trends and changes in public perception. It gives an easy way to think about consumers' behaviour in marketing area,



as well as political research, e.g. attitudes towards candidates' collection by questionnaires before election event.

Besides, questionnaire is a list of various questions which are designed to collect specific information. These questions are used for different kinds of research works like scientists, businesses, marketers, and political parties. The content of questionnaires serves purpose of gathering information from a specific group of objectives. Although they are initially designed for statistical analysis, it is more about to 'squeeze' specific information from respondents.

### **3.4.1 Questionnaire**

Questionnaire comes up based on hypothesis, a prediction of this paper's results. It is a method to test or support original hypothesis. The results of survey may agree or be against by previous hypothesis.

There are several types of questionnaire

- face to face

People are likely to complete the questions more completely. The interviewers can also ask more complicated questions and explain the difficult part if necessary.

However, it will take a long time if doing a face to face questionnaire. As a result of time consuming process, the interviewee pool might be small and limited in a certain time. Furthermore, since questionnaires



are mostly anonymous, interviewees are more likely to refuse or lie to the questions they dislike.

- Questionnaires via Phone

Avoiding face to face talk and appointment making, people might feel more comfortable when answering personal questions without face to face talk. Interviewees may feel better privacy and subsequently answer questions more honestly.

Phone calls can still be time-consuming and expensive. Because of privacy, sometimes personal phone number is difficult to find. Besides, in this paper, hunger marketing is used for the massive consumers. In order to find out the ideas behind consumers motivation, it is quantity of interviewees that matters, not the specific individuals that matter. Therefore, phone call is not going to be chosen as a major method in doing the research.

- Questionnaires by post

Different than doing interviews via face to face or phone calls, people may have more time to answer the questions at anywhere they prefer. It can be anonymous, so interviewees are less likely to lie or feel any upset.

But when interviewees are in charge of returning the questionnaires to the researchers, they might not bother to post the questionnaires back. And without conversations with interviewers, people might be confused in questions and select an answer randomly.





- Questionnaires posted on website

With the development of internet, a dramatically increased number of people now have the access to website. This development gives a forth way to do the questionnaire. This method better meets the requirements of anonymity and sample size. It saves time because there is no need to call or talk to interviewees directly or indirectly. It is a better way for people to feel less pressure and answer the questions more honestly when compared with ones in face to face interview and during phone calls.

Apart from advantages by website, there are still disadvantages for this method. Because there is no direct contact with interviewees who answer questions, it might cause a misunderstanding in reading the questions. To solve this problem, the paper will use notes to explain questions where may cause ambiguity and confusion.

### ***3.5 Results Analysis***

A spread sheet for analysing data in questionnaires will be used after collecting fairly enough information. And it will be in an excel format.

In designing the questionnaire, questions are meant to be marked by numbers. Each numbers from 1 to 5 are designated its meaning: slightest agree or strongly agree. Numerical ways will be shown in the Excel like mean, highest, lowest and standard deviation. The questions will pay attention to avoid ones that give a range as answers, as they are difficult to analyse by numbers and hard to be held together.



### ***3.6 Sample Chosen***

"Asking the right people to achieve reliable information", said by Westby (2014) in his work. Sampling choices is as important as the sample size who may answer the questionnaires. This paper is investigating consumers' motivation under hunger marketing. But due to the increasing usage of smartphone in social life, almost everyone already or will be potential customers, as well as being exposed to hunger marketing strategy.

Considering the time and restrictions of online questionnaires, only teenagers between 18 to 30 years old will be analysed in the spread sheet. It does not mean older people's opinions and behaviours are not as important as teenagers. But people among that age have a potential to make up the majority of purchasing power in the near future.

### ***3.7 Questionnaire Design***

The questionnaire is going to be divided into three parts: basic information, individual needs and social motives.

The first part of questionnaire aims to collect personal information. That gives a general overview of the value of response. This paper tries to identify the preference and purchase motives behind teenagers. So respondents aging out of 18-30 will not be on the statistic list.



The frequencies at which respondents change their mobile phone and how much do they know about smartphone illustrate their enthusiasm and knowledge on the phone. In order to collect a series of credible data from respondents, the data cannot be only collected from experts or smartphone fans. So it is worth to have almost same number of data from 'knows nothing' and 'smartphone expert'.

Individual needs part aims to test whether personal needs would be influenced by hunger marketing. The effectiveness of hunger marketing can be reflected by the reaction of people. This part follows the sequence:

- Why do you change your phone?
- What is people's reaction when hear constrain supply?
- Test the value of hunger marketing buy comparing with its competitor who opens its sale.
- Psychological questions aims to test the power of hunger marketing strategy.
- Use limited edition to simplify the question.

From this segment, we can find out the relationship among unfair, envy, hunger marketing, brand awareness. Variables have been rephrased in this part. Restricted supply is the independent variable while brand recognition is the correspondent dependent variable. Brand recognition here represents the effectiveness of hunger marketing, because the initial purpose of marketing is to arouse the public awareness of its brand. Constraining supply, as the approach that is used by hunger marketing, is independently variable in the questions. As a result, unfair and envy, treated as dependent



variables in the questions, will be able to show its effect brought by under-supply.

Social motives part gives a hint in the value of consumers' reference group and demonstrates the importance of each group: family, friends, forum, and DIY (DIY is prepared for smartphone fans. Low credibility can be easily read if the respondent chose 'expert' in the first part while he or she rated low mark in DIY. Such kind of response will be abandoned). Questions in social motives also give a clear view of the power of envy in consumer behavior. Envy, as a source of social pressure, can and is able to drive rational minds to take impulsive actions. And in the questionnaire, to quantify the value weight of feeling, 1 to 7 range marks are put as options to the questions.

The third part tests the effectiveness of hunger marketing. Question 17 is going to test the people's rational reaction when facing hunger marketing, open sale and brand influence. Question 18 wants to dig whether there is a 'word of mouth' marketing performance. If customers are satisfied with products or services, they may probably recommend them to their friends or other social groups. This is a process of word of mouth marketing. From literature review, we know that recommendation from individual's reference group has a convincing power in changing or swaying individual's decision making process. What hunger marketing does is more than stimulate social motivation and make customers aware of their personal needs. It also brings a deeper and wider channel for the promotion, which is called word of mouth. Virtuous circle is then created: more and more customers are exposed to the 'hunger' brand because of the



'involuntary' recommendation from their reference group or other social groups. By question 18, the degree of connections between word of mouth and hunger marketing can be collected.

### **3.8 *Biases in the Questions***

Due to the limitation of questionnaire design of software, there are only 19 questions. These 19 questions have been seriously filtered from an original large question pool, aiming at ensuring the accuracy and coverage of information and data.

During the process of questionnaire design, the credibility needs several questions to be repeatedly proved. However, due to the limited quantity of questions, credibility cannot be perfectly confirmed. In order to get the most out from the questionnaire, we assume that every respondent takes the responsibility in answering the questions accurately, not randomly.



## 4. Findings

The questionnaire has been divided into 3 parts: basic information, individual needs and social motives.

The paper is going to find out the marketing influence on young generation, who will become the major purchase power in the near future. So responses from people aging between 18 and 30 will be collected. The qualified sample size is 71.

According to the results from question 6, 86% of people show they are open to a new brand while only 14% says they will keep buying from they preferred old channel (refer to appendix 'Findings'). It can be concluded that in the smartphone industry, consumers are willing to accept a new brand which makes hunger marketing for a new brand workable.

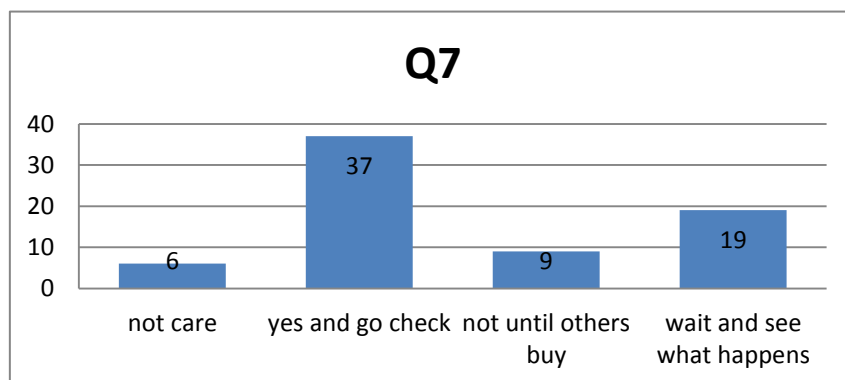


Figure 4.1.1 Will it increase your interest when you hear a new smartphone brand which has limited availability?

In individual part, referring to figure 4.1.1, only 6 of them show no interests when hearing this abnormal marketing strategy, while



others' attention have already been partially attracted by the approach of restricting supply. That is people's nature to pay attention to something abnormal (Berenbaum, 2013).

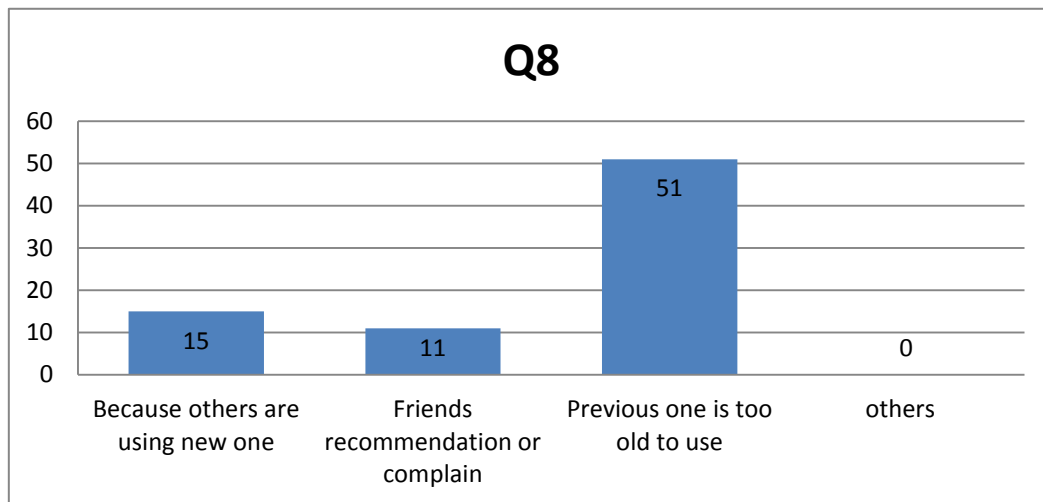


Figure 4.1.2 what reason makes you change your phone?

According to question 8 (refer to figure 4.1.2), the question is related to personal needs. The motives behind people to drive them change a phone are sometimes from inner desire: the phone is too old to use; sometimes the desire comes from social pressure: because others have something nicer to use. This desire creates envy and subsequently strengthens the personal needs. There are 51 people say the previous one is out of date and that is the original motive to buy a new smartphone. It is quite unexpected that 15 persons demonstrate their strong feelings of envy when answering this question. Theoretically, this strong feeling results in a purchase will and it works in such person's other buying situation.

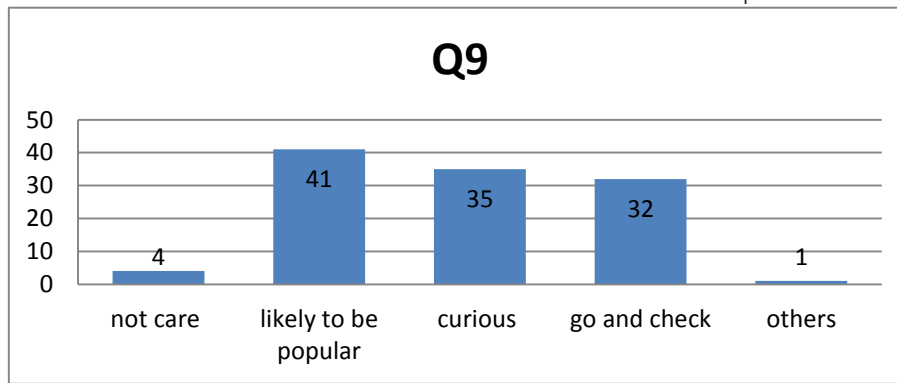


Figure 4.1.3 if you are told a smartphone is released limited quantity during a certain time. What will come to your mind? (You can choose more than one answer)

Question 9 (refer to figure 4.1.3), aims to find out the psychological activities in consumers' mind when being involved in hunger marketing campaign. There is no doubt that hunger marketing gives a hint to customers that the product could be popular and finally result in under supply. In people's minds, 'under supply' equals to 'over demand', whereas 'over demand' normally links to a concept that the product is hot and popular. Following a logical train of thought, the product seems to be with good quality and service. It is really a good start to know from this result that hunger marketing, as a promotion tool, is able to arouse people's attention.

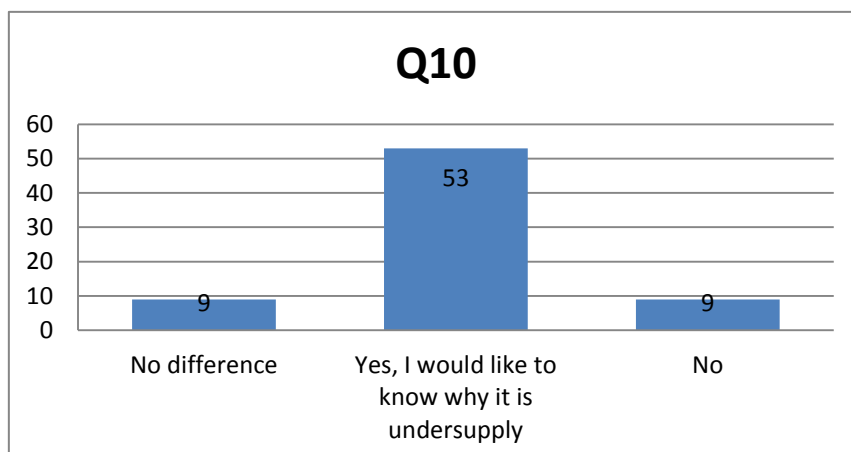




Figure 4.1.4 Smartphone A and smartphone B are equally good and affordable. But B is undersupply. Will you pay attention to B more?

Question 10 meant to confirm the result from question 9, and it indeed shows a large proportion of people (53 out of 71) have curiosity on this marketing strategy. Only 9 people show no interests and another 9 people would like to do nothing when hearing undersupply.

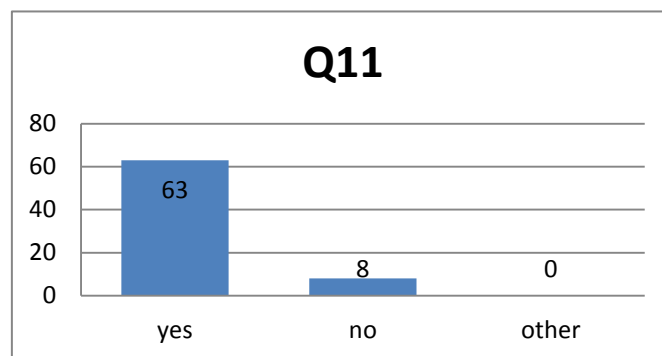


Figure 4.1.5 Will you want to buy any affordable product because it is popular and not everyone can get it?

Seen from question 11 (refer to figure 3.1.5) that consumers behaviour is different when organization have applied a marketing strategy, especially hunger marketing. This question is designed to find out consumers' preference and people's individual needs: comparison needs and showing off needs. Because the product is not achievable to all of the consumers, the one who get the product seems to be different than others. They might have a special channel, or exclusive networks. Essentially, this is a result of symbolic characteristic of marketing. By marketing tools, it links product to special social status, for example, Gucci, a luxury product providing



handbags for women, gives consumers confidence in their social status and economic strength.

Q12	Mark
Mean	5.5
Standard Deviation	1.1

Figure 4.1.6 Do you feel superiority when you buy the limited edition, while others do not?

The result of question 12 (refer to figure 4.1.6) is a direct index of showing people's feeling in superiority. It is a personal feeling brought by hunger marketing. Superiority is rephrased by word: showing off. Basically these two words share the same characteristic in human psychology. Both of them exist in human's networking activities. Superiority and showing off is what seems to be different from humans than animals. The score is 5.5 which are higher than average 3.5. That is to say most people will enjoy the superiority being different. The standard deviation of answers is 1.1 which means the majority of respondents value the similar importance around 5.5. The value of 1.1 gives credibility to the results 5.5. This result also verifies the outcome of previous questions. They follow the same rule indicating the existence of individual needs, emotions and feelings are influenced by hunger marketing, by means of restricting supply.

From questions 9, Q10, Q11 and Q12, what hunger marketing does is taking advantage of under supply, utilizing individual's curiosity and its basic symbolic function to attract consumers' attention. In the meantime, hunger marketing implicit the hard-to-get property of the

goods, which consolidate the curiosity inside consumers desire. After this, consumers are being motivated and filled with enthusiastic to find out what exactly the product is. At this moment, hunger marketing has achieved its individual motivation goal.

The following social motives part aims to identify the influence of social groups, including reference group. By marking the importance of reference group in decision making horizontally, the answers to the questions in this part is presumably to show the difference among different reference sources. In this part, unfairness and envy are also mentioned and measured by means of 1 to 7 rating. Different value indicates different degree of the preferred answer. And by numbers can we clearly understand the importance rate in each variable.

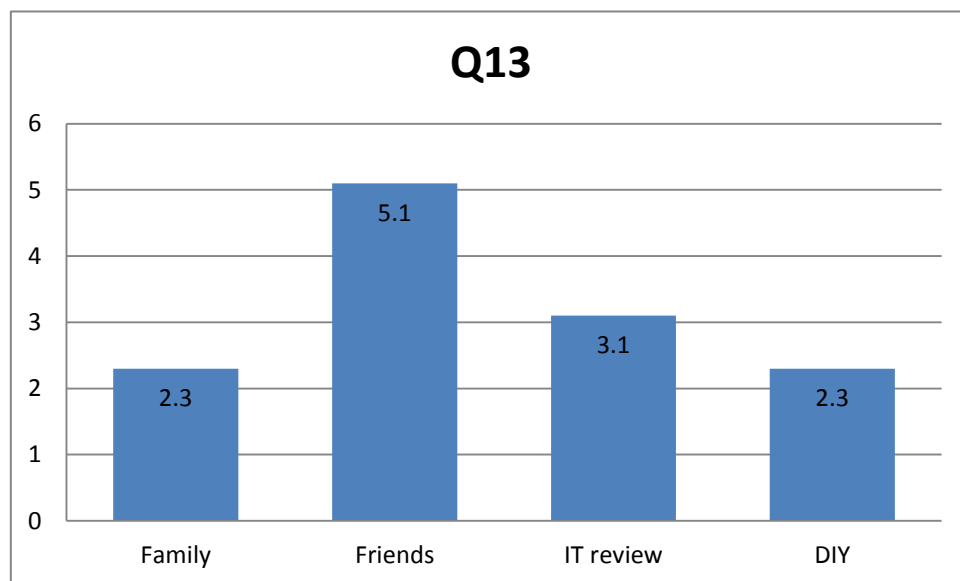


Figure 4.1.7 Please value the importance rate when choosing a smart phone? (1 is not important, 7 is most important)

From the graph 4.1.7, the number of people referring to their friends when buying a smartphone is outstanding from others, the value of its



importance reaching 5.1. The possibility of people value their family opinion, IT review or similar forums and DIY are almost the same, rating at around 2 to 3. If comparing DIY and other three categories, we can read that most consumers buying their product following suggestions from their social groups, rather than just 'do it by you'. No matter what information source is, they exist in consumers existing networks. The highest value of friends' opinions indicates the position of social groups, especially ideas and influences from their friends. The significance of social group clearly takes effect on consumers' decision making process, while hunger marketing does have an effect in spreading news among social groups by its 'strange' approach, namely publishing that we have sold out everything and do not be late next time. To some degree, it is a marketing strategy led by word of mouth.

Question 14	
Mean	4.8
standard deviation	1.6

Figure 4.1.8 to what degree you may envy your friend when they show off a smartphone you don't have? (1 is rarely agree, 7 is strongly agree)

It is unexpected to see the result of 4.8 to question 14. Theoretically, the value should be very high, regarding to the root of hunger marketing, creating unfairness and envy. But the result seems to be neutral and its standard deviation of 1.6 demonstrates its stability and compliance. It is human's nature to pretend to be gentle, generous and positive, said by Adler (2013). One step back, if we reconsider the

situation in which respondents tick answers and give ratings to the questionnaire, they might want to show their positive feelings and then gave a slightly different answer than what it should have been. Although the questionnaire is anonymous to respondents, there is still a chance for them to tick a different answer which they even do not realize.

Apart from its credibility, the number shows envy and unfairness may not be the root factors making hunger marketing successful. However, when we refer to the original data for each person, there is still a strong difference in different people (refer to appendix Findings). Some people valued 7 when answering this questions, which give us an implicit that hunger marketing still has a power in changing consumers' mood in the way marketers want.

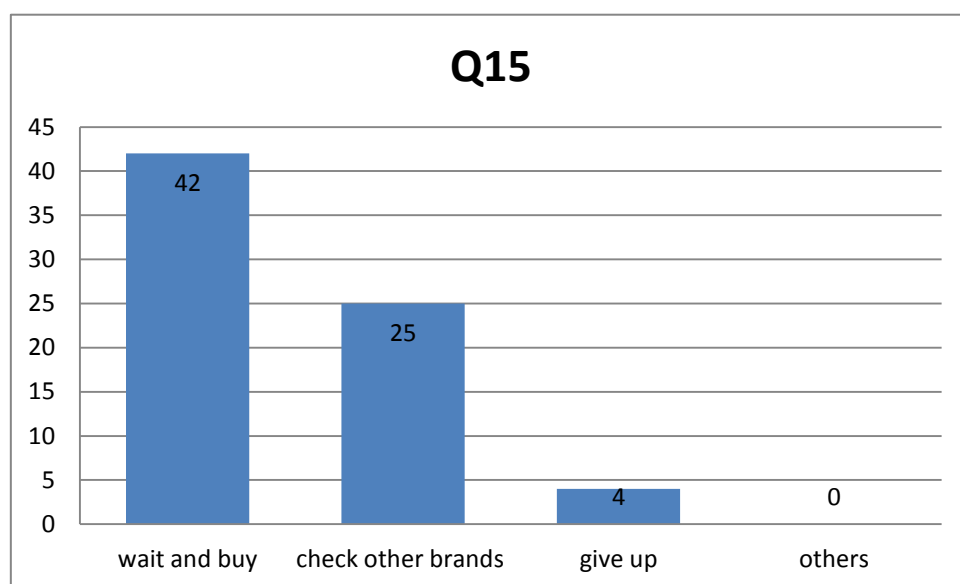


Figure 4.1.9 because of undersupply, what will you do when your friend has your preferred smartphone while you don't?



Question 15 is designed to find out the reaction of customers in hunger marketing. It is different from question 7 which tests people's reaction before sales, while question 15 asks the situation in sales period. From graph 4.1.9, 42 people would like to wait until they get their preferred smartphone, while 25 people will check the availability of other brands. 4 customers will give up waiting and do not want it anymore. Those who will keep waiting are almost doubled than those leave. It is saying that from the very beginning, hunger marketing will not arouse people's antipathy by restricting its supply. However, there are still 25 out of 71 shows their concern about products' availability. Although those 42 people are targeted by hunger marketing strategy, while group of 25 seem to have lower loyalty, it is still possible to grab those 25 individuals. To do this, product itself should be reconsidered by managers, and its differentiation, leading technology or people- oriented after sale service will in a way maintain the customer loyalty from those 25 people. The figure tells a potential threat to the hunger marketing user: if others balance the supply and demands, the one using hunger marketing but without differentiation or great brand value will suffer from customer shifting. In this situation, hunger marketing might be a drag on the company.

Question 16	
Mean	5.2
standard deviation	1.3

Figure 4.1.10 you may feel disappointed when missed the open sale period. Will you still want to buy it and keep waiting? (1 is rarely agree, 7 is strongly agree)



The 16<sup>th</sup> question aims to identify people's negative brought by hunger marketing: the degree of disappointment. And this result is supposed to be factor deciding question 15, the degree of brand loyalty. Compared with question 15, it gives a clear number on people's reaction during the application of hunger marketing. The value of 5.2 is a good example to illustrate the degree of consumers' disappointment. The stronger the feeling is, the unexpected result hunger marketing results will be. According to literature review, hunger marketing fully utilizes consumers' emotion to make them recognize their inner desires. Disappointment, as a negative feeling could stimulate the development of rebel. Rebel psychology is common in young teenagers, as well as consumers. A kid might do oppositely to make his or her parents angry, so that they can catch people's attention in another way. Now the rebel psychology is more common in consumers' decision making. More specifically, people may be more willing to buy the one which is really difficult to buy; people may be happier to know the secret which is strictly confidential. The rebel psychology in consumer behaviour is from another angle pushing hunger marketing forward and more efficient. That is to say, disappointment sometimes cause psychological rebel which could result in a better hunger marketing performance.

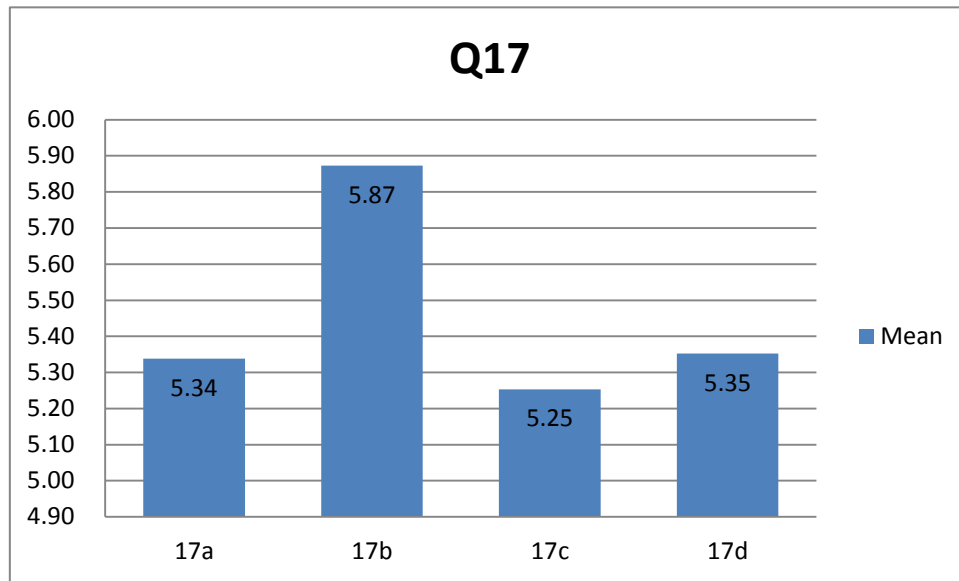


Figure 4.1.11: please rate your buying probability in the following situations. (1 is not want to buy, 7 is strongly willing to buy)

To make the answers clearer, below are the detailed content of the questions.

17a. Restricted supply, but with high cost performance

17b. Open sale, with same cost performance as '17a'

17c. Open sale, with leading brand name

17d. Restricted supply, but is with leading brand name

People rate almost the same value (around 5.5) in each scenario (refer to figure 4.1.11). But it is very interesting to see the difference between cost performance and leading brand. More specifically, in scenario 17a and 17b, products are the same with equally good cost performance. But many consumers are likely to purchase such kind of product without constraining supply. Answers change when same scenario happens in products with leading brand. The figures show that consumers prefer luxury brand with limited supply. It is notable that the difference between leading brand and cost performance is





affordability and the symbolic meaning in luxury product. It could be easier to understand the results if knowing the reason why people buy luxury product from an international brand. Consumers' needs for reputation are at play. This is also why limited edition can often be seen in luxury brand, rather than in fast retailing goods. When mentioning affordable products, the first idea may come into people's mind would be availability. From this, consumers care more about availability in affordable products, while they concern more about being special and noble buying luxury product. People who disagree with this may come up with example like XIAOMI, an affordable smartphone manufacturer in China with hunger marketing strategy, lying in mid-market. Indeed, XIAOMI's product strategy is providing an affordable or even cheap cell-phone to the public. But at the same time, it differentiates its product by leading technology and unrivalled customized user interface. It is impossible for consumers to buy similar or same product user interface somewhere else. Therefore, there is still a bunch of people keep waiting and struggling for smartphone from XIAOMI Inc.

Question 18	
Mean	6.2
standard deviation	0.7

Figure 4.1.12 Will you introduce your smartphone which is difficult to buy but with special features? (1 is rarely agree, 7 is strongly agree)

It is good to see answers with a standard deviation of only 0.7, which indicates the excellent compliance of responses. There are two prerequisites in this question. The first one with special features may



be rephrased into differentiation. The second one is difficult to buy which implies restricted supply in hunger marketing. This question aims to find the effectiveness of hunger marketing: whether the product will be spread by word of mouth? The answer is obviously positive, scoring as high as 6.2. But as mentioned, apart from hunger marketing, there is still another condition before enjoying the free 'mouth' marketing: special features. And this feature should be acceptable and preferred by customers. Reviewing question 17, being unique gives a hint in explaining special features. Again, taking XIAOMI as an example, people love its products' so-called usability and its good looking user interface. Based on this product feature, when XIAOMI began to implement hunger marketing, the information started to spread all over the smartphone user. And on the product launch conference, XIAOMI told everyone in this country that 'our product is unique, but we only sell 30,000 smartphones in this month'. Teenagers on that conference were crazy on telling others this 'exciting' news. Things go smoothly as expected. And now XIAOMI turns out to be a well-known smartphone supplier in domestic market within 3 years. There is no doubt that hunger marketing efficiently brings XIAOMI an unrivalled reputation. Similarly, word of mouth also helps abundantly reduce the company's cost on marketing.

Question 19	
Mean	2.4
standard deviation	1.1

Figure 4.1.13 restricted supply is called hunger marketing, which means not all of consumers are able to buy the product. To what



extent do you like hunger marketing? (1 is dislike, 4 is not mind, 7 is interesting)

The result is as expected lower than average 4, which means when the customers will give negative comments after knowing restricted supply is a manipulated action. Standard deviation at 1.1 shows the attitudes of customers has no big differences. Reading from the spread-sheet, a large of respondents only mark 2 at this question. It is easy to understand that no one would like to be manipulated or controlled by others, even if it happens in business transaction. What is more, negative feelings would discomfort customers and generate a biased view on the product. And even worse, the view may result in a doubt in company value which is so fragile and might be thereby crashed. In this situation, since people are resistant to know they are 'manipulated' by restricting supply, some official excuses may help. XIAOMI Company in year 2010 officially said that due to the restriction of capacity, the supply could not meet the overwhelming demand. Customers became conscious of 'sincerity' from XIAOMI, and started preparing their money for XIAOMI products. Excuse is a solution to avoid being passive in this situation. But that does not mean to solve the problem, every enterprise need to lie to the public. After all, customers know the most (Westbrook, 2013). Lie cannot solve the problem, but brings another explosion risk to the company. Different than lying, what APPLE does is keep every segment confidential. It lists every manufacturing, as well as raw materials, as top secret to the public. There is only rumour over the street, but no one can prove the credibility of the rumour. This example might give



enterprise an implication to avoid being trapped into public relation crisis.



## **5. Discussions**

Hunger marketing represents a special marketing strategy. It has been used in contemporary society where oversupply exists and consumers are more likely to gain initiative in each transaction. In order to change its passive position in transaction process, sellers manually restrict the supply of the goods, and consequently hook consumers in. As a result, people's 'hunger' is being triggered. Thus, what hunger marketing does is changing the relationship between supply and demand and 'hunger' is a superficial phenomenon made by marketers to consistently stimulate consumers to buy their products, and subsequently maintain relatively high price and correspondent high profit.

### ***5.1 Needs Theory***

In a world with adequate supply, restricting supply means manually restricting production of goods or its availability. The purpose of it is to motivate people's buying desire. Interestingly, in contemporary world with homogenous products, there is a potential risk in manipulating the quantity of supply. Homogenous products, here means various companies provide products with similar hardware and software, and even the after sale service is almost the same. To consumers, there is no clearly difference among suppliers and brands. As said there is a risk in intending to manipulate supply when others provide sufficient goods. So there is a prerequisite when carrying out hunger marketing strategy. From the survey, we can find that more than half of consumers care more about whether there is an



irreplaceable property in the goods they choose. It emphasizes the importance of goods itself. It gets much clear that hunger marketing is only a tool used by marketers to attract consumers' attention. And in the meantime, the characteristic of goods lays the ground rock for successful hunger marketing. The irreplaceable characteristic of goods plays the role of root cause of consumers' motivation, while restricting supply is a trigger in grasping people's eyes and strengthen consumers' buying will.

It is agreed that goods with good quality and consumers' acceptance are able to increase its sales rate. Similarly, to successfully apply hunger marketing, the differentiation of goods, namely its irreplaceable characteristic really matters in paving the way for this marketing campaign. Consumers' decision making process is not as simple as it supposed to be. It is influenced by 4 psychological factors: motivation, recognition, learning and faith (Bouyssou, 2013). In these four elements, motivation is a foundation in the process of decision making. Needs theory told us that people have needs at any time or any place. Some of them appear physically, e.g. hunger, thirsty, nervous... while others are led by psychological reasons, such as recognition, respect and belongingness. When needs grow stronger, it turns out to be personal motivation. So, motivation is a kind of needs which is able to stimulate people to take actions to fulfil their demands. Hunger marketing deliberately reduces availability of products, and it arouses consumers' upset and makes buying the product a worrisome issue. People are afraid to fall behind others when there is only certain number of them can own the product. For the time being, a strong consumer buying motivation is born. Then once the long-anticipated



goods appear with any tolerable price tag, consumers may not be willing to wait and think rationally during decisions making process.

Reviewing literature review, Maslow's hierarchy of needs has divided individual's needs into physics, security of body, belongingness, self-esteem and respect. They are listed as a low to high demands and form a needs pyramid. As discussed before, motivation of buying is also a kind of needs. But motivation is an upgraded edition of people's ordinary needs. Reviewing the answers to the questionnaire, teenagers, as consumers, tend to have needs for seeking the same, needs for affordable price, needs for fairness, needs for pride, and needs for respect.

## ***5.2 Social Motives***

Needs for seeking the same in general terms is: public has a tendency to follow others (Weizsäcker, 2010). As a social being, people cannot escape from meeting others and passively hear what others' choices are. Whatever others decide, the concept is also being used by retailing industry in contemporary society. It is fairly normal to find such consumer behaviours around the world. However, it is easy to explain the reason. When consumers face a variety of commercial products and hesitate to choose, it is easier to understand decisions from other consumers will have a direct impact on previous ones. For example, in a supermarket, there is a long queue before one specific product. The customer, who just comes in, is likely to ignore the products with special offer, but follow the queue and wait. This is a result of needs for being indifferent. Many consumers in the queue



may guess the popularity of the products. The product should be very good otherwise there won't be so many people spending long time in waiting. The need for seeking the same is now applied by hunger marketing to create difference between consumers, and thereby trigger consumers' unrealized needs, and being motivated.

You may find such a scenario: when consumers are crazy for something, the 'something' would 'be sold out' in a really short period. Is that because demands exceed supply? The answers may be no. As long as people's needs are stimulated and goods are 'sold out', the hunger market is taking effects.

### ***5.3 Individual Needs***

From the questionnaire, 60% of respondents rated 5 or higher in question 12. The result shows that consumers have a need for reputation and respect. This need is a sort of action admiring fame and self-actualization. It is belonged to motivational needs in Zajonc's work (1984). Consumer's psychology is mutually influenced by hunger marketing: people's personal needs stimulate the born of hunger marketing. Vice versa, a good application of hunger marketing will positively trigger customers' needs and psychology. So for organizations, to realize hunger marketing better, individual needs should be specified and understood beforehand.

#### **5.3.1 The Need for Comparison.**





This is the consumer behaviour in chasing after famous brand and commercial product. The need is much more common in recent years. It is a psychology for better result or a desire to win in the competition. When people have such kind of will, they may hardly consider their original needs for the product and product value, where a feeling like vanity may take over during the decision making. That would make the process of decision making more irrational, instead of rational. Driven by the emotional motives, consumers could and be willing to pay a higher price to buy the limited edition under hunger marketing.

For organisations, mostly hunger marketing is connected to limited edition with long history stories, undersupply products, and those with high price, high social status. Thus, if people find others around them have a product like this, a need for comparison is likely to breed in their inner mind. And then impulsive decision making might be made to buy that product at any 'acceptable' price.

### **5.3.2 The Need for Reputation**

The need for reputation is closely linked with comparison (refer to the last paragraph). It is a need generated when people follow great brand product, or regional traditional product. It can also call a need for showing off. That is to say, a need of social status and reputation is created when people making decisions in buying process. Generally, these kinds of consumers are in people with relatively high income and are with relatively high recognition demands. Companies can successfully apply hunger marketing if they grab the needs for reputation in consumers. And high price with a sound brand story may



help. In reality, when consumer realize the value of the product. They are more than being willing to get this preferred product 'at any price'. In individual needs theory (Vroom, 1966), the valence they value is well worth being waiting for. Consumers believe that they can get the expected value or even higher value from the product. Besides, the owner of the product may have a feeling of pride and a sense of satisfaction, while the process of psychology is the key to hunger marketing.

### **5.3.3 The Need for Fashion**

The need for fashion is a consumer psychology for following fashion and trend. Some people are addicted to a much differentiated product, remarkable and fashion leading brand. They are mostly people with fairly good salary and young generation with high purchase will. That is why nowadays, companies using hunger marketing are mostly frequent-updating goods suppliers. For example, HUAWEI is integrating hunger marketing in their marketing strategy of smartphone which will be released frequently at every half a year. Here, frequently updating product and releasing new product series is a great tool to keep customers 'hunger', and subsequently increase the consumers' needs for the product.

### **5.3.4 The Need for Rebel Psychology**

It is known that young generation have a rebel phenomenon which means they might do differently from whatever they have been told. It is an irrational and immature behaviour seen in consumer



psychology. It can also be explained by personal resistance to another individual in social environment. Now the rebel psychology is more common in consumers' decision making. More specifically, people may be more willing to buy the one which is really difficult to buy; people may be happier to know the secret which is strictly confidential. The rebel psychology in consumer behaviour is indeed pushing hunger marketing forward and more efficient. But there is a threat when considering rebel person. What will happen if those people know that the company means to strictly control the supply when the organisation has the capacity to meet the demand? What will happen if consumers know they are manipulated in buying the product, instead of being treated nicely and fairly? It is really a risk when rebel people know what the company is doing without understanding the purpose of marketing. They might turn out to be out of control. Doubt and hesitation could arise in this situation. Or even worse, consumers might refuse to buy the product and convince others to cancel the orders.

These individual needs are not entirely separate working with each other. Consumers are influenced by two or more needs during their decision making process. Identifying the key needs of consumers is vital when carrying out the marketing strategy. Or else, it may cause side effect or any unexpected results to the company.

#### ***5.4 The Verification of Hypothesis***

Psychological paper studies show that the longer people are waiting, the stronger desire they want it. This finding and people's needs for



being indifferent has trigger the positive connections between social impacts and the effectiveness of hunger marketing (Hypothesis 1). To be more accurate, social needs and motives are sufficient but not necessary condition for a better hunger marketing effect. There are various factors influencing the effect of hunger marketing, which means higher social needs can result in a better marketing effect, but a better marketing result is not necessities caused by social needs.

In hypothesis 1, social motives and needs are the needs for equality and fairness in networking society. They belong to psychological factors contributing to the success of this marketing tool. While positive feeling like fairness and equality are able to give birth to positive actions and motivations, negative moods could also 'add fuel to the fire'. It is the positive feeling that works when needs for being the same motivates consumers to buy the product. But negative feelings take over in those who once had chance to buy but missed. Unfairness and envy are born right away. These negative feelings seem to work no worse than positive ones. Have been discussed in the previous chapter, the difference between negative moods and positive ones does not lie in boosting people's buying desire, while both of them will do. It is known that negative feelings may result in unexpected outcomes. In the example of selling kidney for an iPhone, the kid seems to be irrational and emotional. Overplayed feelings have a strong impact on this impulsive behaviour. Driven by both negative and positive feelings in social needs, consumers are tightly 'controlled' by marketers in decision making.



In hypothesis 2, there was supposed to be a closely positive relationship between unfairness and the effectiveness of hunger marketing. But from the results of questionnaire, the link between consumer emotion and marketing strategy seems to be slightly weak.

From discussion, hypothesis 3 has been proved to be true when hunger marketers utilize supply restriction as a tool to apply the marketing strategy.



## **6. The Prerequisites of Hunger Marketing**

The benefits that hunger marketing brings seem immeasurable. But that does not mean hunger marketing is workable in every kind of product and every company in different industry.

### ***6.1 Well-designed Product or Service***

No matter what marketing strategy is applied, a product which cannot meet customers' demands is destined to lose its market share. Thus a good product with good quality and people oriented service is the footstone of successful hunger marketing. In recent years, car manufacturers using hunger marketing kept losing customers for a long time. They have successfully taken advantage of hunger marketing to attract people by introducing 'queuing system'. Queuing system requested customers to reserve the car and pay the deposit to secure their reservation before the real product was manufactured. Whereas, situation went into a different way: a great number of people claimed to return the car and refund because there was a universal operating system damage in the new car. Customers went crazy and felt being deceived. No matter how well the crisis management was, the company fell into a crisis of public trust. And things went worse when customers began to talk to other potential customers. At this moment, reference group works and goes against what marketers want. From this, it cannot be denied the significance of product itself.



Apart from knowing that good quality makes up preferable hunger marketing, differentiation of the product can take a leap in the effectiveness of hunger marketing. If the difference in products which makes the company outstanding from homogenous competition can grasp consumers' attention, a superior marketing is able to take effect in triggering customers' needs. Differentiation is a key to lead the market. But it should be borne in mind that the differentiation shall be market-based and people oriented. Educating the public does not mean creating needs out from none. It helps people find their inner needs and wants, and reinforces those needs to think about the transaction. After all, changing people's appetite is really difficult after so many years' habit formation.

### ***6.2 Relatively High Entry Barrier***

Just imagine what will happen if there is plenty substitutes out there in the market? To maintain company competence, manually creating high entry barrier need to be considered when other homogenous products sell as many as customer wants. It is a strategy to maintain fairly good competence and provoke customers' interests. To do this, differentiation (which has been discussed above) may help. Besides, cannot be imitated, be copied, well established brand awareness, and complete sales channel can also help create higher entry barrier and avoid the failure of hunger marketing.

Cost of creating barrier should also be taken into account in long term running. This is more about company product strategy, and will not be discussed more in this paper.



### ***6.3 Public Acceptance & Hunger Time Matters***

People cannot be always kept 'hungry'. Namely, there is a potential threat in exceeding people's threshold of endurance. More than 61 % of people indicate that they will definitely not wait and buy the product. People may feel frustrated and even desperate when they get nothing after long time waiting. In this situation, consumers get annoyed and are possibly to change their options in buying.





## **7. Risks in Hunger Marketing**

As been discussed, hunger marketing has an immeasurable power in increasing brand image and motivates consumers' purchase will. This strategy, however, is like a double edged sword. There are several disadvantages applying hunger marketing.

### ***7.1 Brand Image Could Be Damaged***

It seems to be controversial to say so after identifying hunger marketing is positively enhance brand image. Hunger, in nature is a manipulation used by marketers. It intentionally controls the relationship between demand and supply, breeding demands before sale, restricting supply during sale. The process is contradictory to contemporary marketing purpose which asks for sellers' full energy to entertain the customers. It can be seen that consumers will be bored and annoyed after repetitively creating hunger. It may turn out to be negative feelings and out of control if one of the customers knows organizations do this on purpose. This is predictably harmful to company's long term run.

### ***7.2 Consumer Loyalty Would Be Affected***

Although differentiation is a superior way to last hunger marketing longer and be more effective, hunger marketing still belongs to short term marketing strategy. Repetitive use will not only harm consumers' feeling, but also leave a competitive place for copycat. Brand strategy is different than short term marketing strategy: it should be seriously



considered to make long lasting. Customers may give a positive feedback and active word of mouth if they were once 'struggled' to get their favourite product. But feedbacks and comments may go wrong when customers are always kept 'hungry' and cost too much to get the product. This phenomenon may result in a negative feelings and negative dissemination to company brand. The reason why hunger marketing can work is more than 'motivation'. It exists in brand loyalty, awareness, and recognition. But in reality, when people begin to face their preferred product and limited supply, they have no other choice but keep waiting. This kind of 'no other choice' and 'keep waiting' is gradually nibbling brand loyalty which is intangible but should have been long lasting. Situation goes out of control when such 'hungry' consumers have more options to choose. They are more likely to select other options, rather than staying and waiting. This is another side effect brought by hunger marketing which is detrimental to company strategy and marketing strategy.

### ***7.3 Sales Cycle May Be Longer***

It is really risky to divide sales period in hunger marketing. On one hand, fractional payback cannot consistently support reproduction. This is quite different than continuous sales. On the other hand, organizations leave a gap in each sales pitch which gives other competitors a time to survive. It will be a threat because this gap gives competitors an exclusive show time. Hunger marketing owner may thereby lose its initiatives. In the meantime, the gap also gives a chance for copycat, a price oriented market. All these factors will contribute to the turnover of company advantage.



## **8. Suggestions to the Marketers and Organisations**

Hunger marketing is a double edged sword: it can add value to company products, while it can trigger negative feelings in consumers after inappropriate operation. Predictably, there are two side effects that may harm the company: the first is losing customers. Keeping consumers waiting too long for the product may result in individual's impatience. Even if the product is good enough, and people's valence is high, there is a threshold value for consumers to wait. Once the time is over than their threshold value, people become impatient and irritable. Unexpected results may be triggered at this moment. So scheduling an appropriate waiting time and adding value to 'valence' is a good way to increase the effectiveness of hunger marketing.

Secondly, any marketing strategy aims to add value to its brand. No matter how strange the strategy may be, the purpose of hunger marketing is to create and stimulate purchase behaviour. But wrong guidance of value in hunger marketing may keep a group of people out of this brand market. More specifically, the value of brand should be integrated throughout the hunger marketing process. If the organisation has no power in commodity competition and brand awareness, or the application of hunger marketing is at the cost of brand value or company awareness, neither company or hunger marketing campaign could receive expected outcome. So it seems to be essential to integrate brand value, company vision and mission into the hunger marketing strategy. It is better to make consumers, as individuals feel that it is a responsible company, not a changeable one.



### **8.1 About Product**

Whether a product is able to be promoted widely or wisely depends on consumers' degree of acceptance. Consumers' acceptance is the prerequisite of marketing strategy and brand promotion. Generally speaking, a company in promotion campaign provides products with features like leading the trend, differentiated, high quality, and humane service and so on. Such products can meet consumers' fashion needs, and therefore motivate their potential buying will. If everything is well planned as mentioned above, hunger marketing is able to help strengthen consumer's decision making. Vice versa, a company, with hunger marketing strategy, creates a phenomenon of over-demand and popular that drives consumers to follow others and cause a need for comparison. It is a result of hunger marketing and people's feeling of unfairness which is likely to consolidate the needs for the product. So, to enjoy a better effectiveness of hunger marketing, companies should pay more attention to companies' core competition: products. A better version of product and well updated technology, with appropriate design and product management are important before applying hunger marketing strategy.

### **8.2 About Price**

Price means more than just the real value of the product. It is more about reflecting social attitudes towards the product. We have mention that merchants are likely to higher the price of goods when demand is over supply. Maintaining a relatively high price is another



benefit brought by hunger marketing. But that does not mean sellers can set the price tag as high as they want. Indeed high price product is linked with high income. Keeping a relatively high price helps customers realize the commodities' good quality and difference. To some degree, luxurious product can indicate its owners' social status, reputation, and high personal taste. Price can also satisfy some consumers' needs for comparison and showing off. The increase of such products under a reasonable excuse meets people's individual needs: comparison and show off. What should be considered is the increased price can never drop. Once the price of the goods decreases, it will lower its product value in people's mind which could give birth to a rebel mind. Then customers will gradually refuse to buy such products, because of its low value maintaining. From this, lower price is not contributing to more sales, but in contrast a worse customer loyalty.



## **9. Conclusion**

We can see that hunger marketing does have a power in promoting company products, creating consumers' needs and enhancing their purchase desire. It is a marketing methodology manipulating the relationship between demand and supply. Accordingly stimulate people's desire to buy the specific product. Social motives and individual needs are at play supporting hunger marketing. If hunger marketing is appropriately handled, customer enthusiasm will remain relatively high throughout the campaign. Hunger marketing gives a short period among each sales pitch, Thereby leaving company time for scientific prediction of future market, and work proactively to enforce its brand value. Market always keeps changing, hunger marketing make it possible for companies to neutralize risks. Besides, hunger marketing can contribute to fairly good cost control during each sales stage. Short payback time accelerates the reinvestment on technology and people oriented service which will in turn increase the effectiveness of hunger marketing for sure. Fastest speed of recovery funds for new development will reinforce the capital turnover as well.

Referring to the results in the study, hunger marketing is driven by social motives and personal needs in consumer behaviour theory.

Consumers, as social beings, cannot entirely ignore or neglect pressures from the society (Kapoor, 2013), which means, the majority of people are likely to be followers. Kapoor has put emphasis on reference group who may have a direct or indirect impact on consumers. Meanwhile, if others in the brand community get the



product while the consumer do not, emotional pressure from others turn out to be a motive driving consumer to choose the specific brand.

But marketers should pay attention to differentiation and price when carrying out a hunger marketing strategy. From the essay, we know that there is a threshold for customers waiting. No matter how popular the product may be, waiting period can never surpass consumers' threshold line. This delay in reservation and sales establish an interaction between customers and sellers. To be more specific, marketers can and have time to create or come up with any activities to promote the products among customers during 'break time' (the time gap between two sales).

It is interesting to find out that people, as a social being, is influenced by others in the group, sometimes swayed by their reference group. So there is a social value in the product, while hunger marketing attached this value to the product. Why do we say so? APPLE, for example, is famous for its high quality, aesthetic design, wonderful user interface and high price. There was a report showing that more than half of customers bought iPhone are for social factors. So we can summarize that buying is not only for pure consumption. It is more about showing people's social status, economic strength and upper taste. When hunger marketing is working, it is better for organizations to keep the high price at the same level, never try to reduce the price without a convincing reason.

To utilize the strategy of hunger marketing, the operating premise of the marketing strategy is product. A powerful product is the footstone



of any successful marketing strategy. Besides, brand value becomes another critical factor to apply the strategy. Only when product has enough power and highlights that attracting consumer can hunger marketing be carried on. Marketing is just a tool to appeal consumers, and product is the key to save customers. What is more, brand value is the reason to maintain returning customers. Currently, products are increasingly becoming rich and homogeneous. In such a market, there are still risks to do manmade shortage.

Before marketers decide to apply hunger marketing strategy, they have to understand the nature of the market. Products with good quality will form the foundation of hunger marketing. Some differentiation will ensure and consolidate the effectiveness of this marketing strategy. Rather than just blindly following constrain strategy, it is the organizations' obligation to manage its relationship with customers. Properly dealing with people's complaining will bring more multiplied benefits to the company. More attention should be paid to time threshold and customers' degree of acceptance. What else, managers should concern about adjusting its marketing strategy according to the feedback from the current market. Besides, since hunger marketing is not a long term plan which benefits for development of products, consistent investment on R&D is able to maintain long term attractiveness to customers, as well as a better performance of hunger marketing.





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## Appendix I: Questionnaire

### Basic information:

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1. How old are you?

- a. Below 18
- b. 18-30
- c. 30-40
- d. over 40

2. gender

- ☐male                      ☐female

3. How frequently do you change your mobile-phone?

- a. Less than half year
- b. 1 year
- c. 1-3 years
- d. Over 3 years

4. How many smartphones do you have currently?

- ☐0                      ☐1                      ☐2                      ☐3                      ☐more

5. How much do you know about smartphone?

- ☐ nothing              ☐little              ☐some              ☐familiar              ☐expert

6. Will you consider a new smartphone brand when buying a new mobile phone?

- ☐No                      ☐Yes

### Individual needs

---

7. Will it increase your interest when you hear a new smartphone brand which has limited availability?

- ☐not care              ☐yes and go check              ☐not until others buy              ☐wait and see  
what happens



8. What reason makes you change your phone?

- ☐ Because others are using new one
- ☐ Friends recommendation or complain
- ☐ Previous one is too old to use
- ☐ Others, please specify\_\_\_\_\_

9. if you are told a smartphone is released limited quantity during a certain time.  
what will come to your mind? (You can choose more than one answer)

- ☐ not care      ☐ likely to be popular      ☐ curious      ☐ go and check
- ☐ others\_\_\_\_\_

10. A and B are equally good and affordable. But B is undersupply. Will you pay  
attention to B more?

- ☐ No difference      ☐ Yes, I would like to know why it is undersupply
- ☐ No

11. Will you want to buy any affordable product because it is popular and not  
everyone can get it?

- ☐ Yes, I want the product and be special      ☐ No, I may not
- ☐ It depends on\_\_\_\_\_

12. Do you feel superiority when you buy the limited edition, while others don't? (1  
is rarely agree, 7 is strongly agree)

- ☐ 1      ☐ 2      ☐ 3      ☐ 4      ☐ 5      ☐ 6      ☐ 7

### **Social motives**

(Notice: please imagine that you really want a smartphone and answer following  
questions)

13. Please value the importance rate when choosing a smart phone? (1 is not  
important, 7 is most important)





a. Families

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

b. Friends

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

c. IT review or similar forum

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

d. DIY, personal preference

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

14. To what degree you may envy your friend when they show off a smartphone you don't have? (1 is rarely agree, 7 is strongly agree)

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

15. Because of undersupply, your friends have that smartphone while you don't?

☐wait and buy      ☐check other brands      ☐give up      ☐

other: \_\_\_\_\_

16. You may feel disappointed when missed the open sale period. Will you still want to buy it and keep waiting? (1 is rarely agree, 7 is strongly agree)

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

### Effectiveness of hunger marketing

---

17. In following situations, please rate your buying probability. (1 is not want to buy, 7 is strongly willing to buy)

a. Restricted supply, but with high cost performance

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

b. Open sale, with same cost performance as 'a'

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

c. Open sale, with leading brand name

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7



d. Restricted supply, but is with leading brand name

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

18. Will you introduce your smartphone which is difficult to buy but with special features? (1 is rarely agree, 7 is strongly agree)

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

19. Restricted supply is called hunger marketing, which means not all of consumers are able to buy the product. To what extent do you like hunger marketing? (1 is Hate, 4 is not mind, 7 is interesting)

☐1      ☐2      ☐3      ☐4      ☐5      ☐6      ☐7

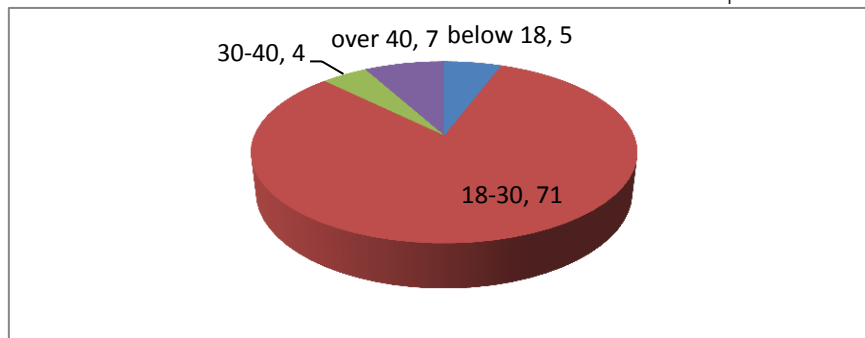


## Appendix II: Findings

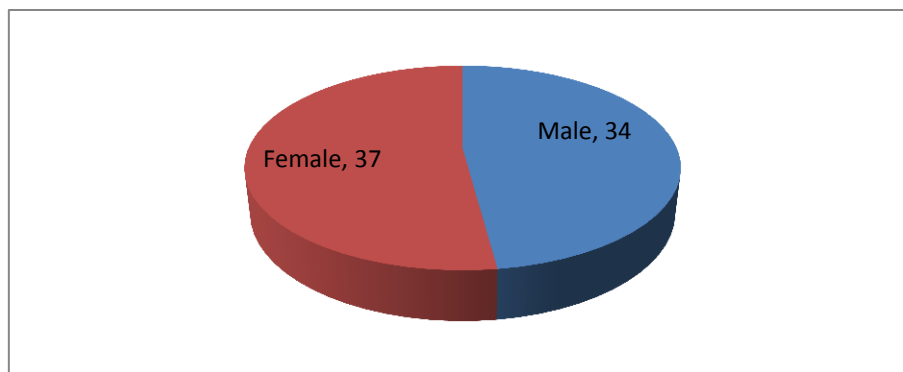
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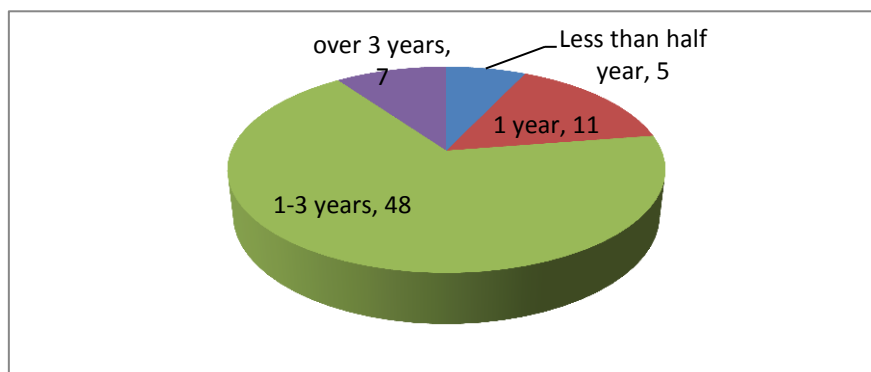
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71	1	5	2	4	1	2	7	7	6	6	5	6	6	1
Mean		5.5	2.39	5.1	3.1	2.38	4.9	5.2	5.3	5.9	5.3	5.4	6.2	2.4
SD		1.1	1.54	1.3	1.5	1.61	1.6	1.3	1	0.7	1.1	1.5	0.7	1.1



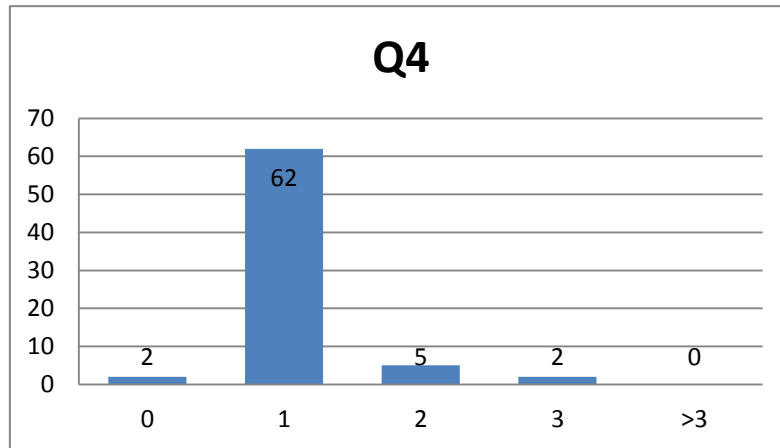
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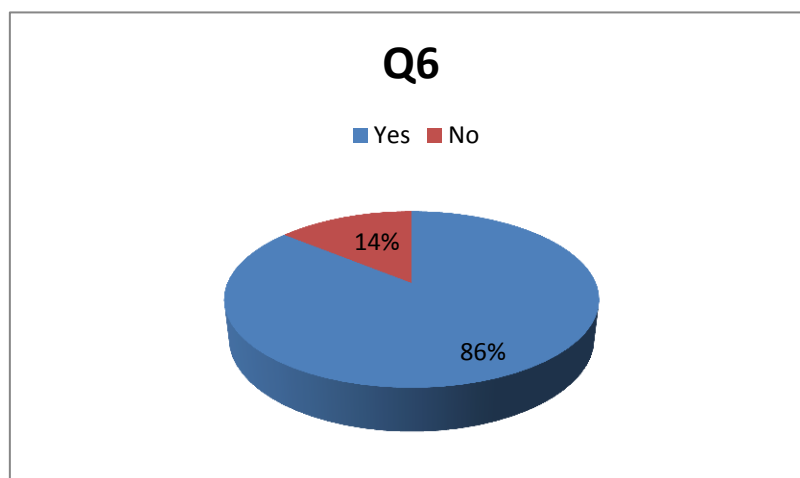
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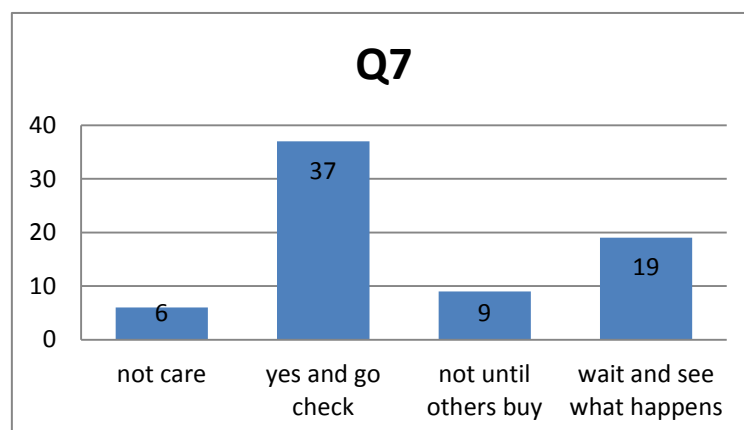
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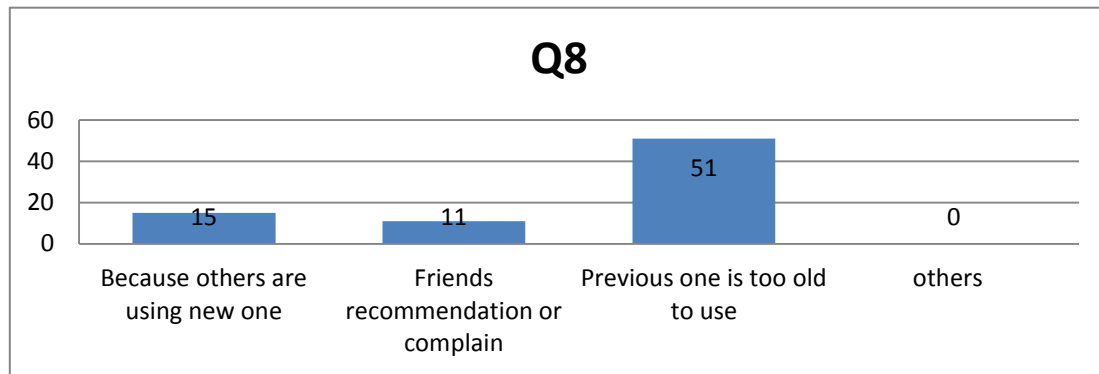
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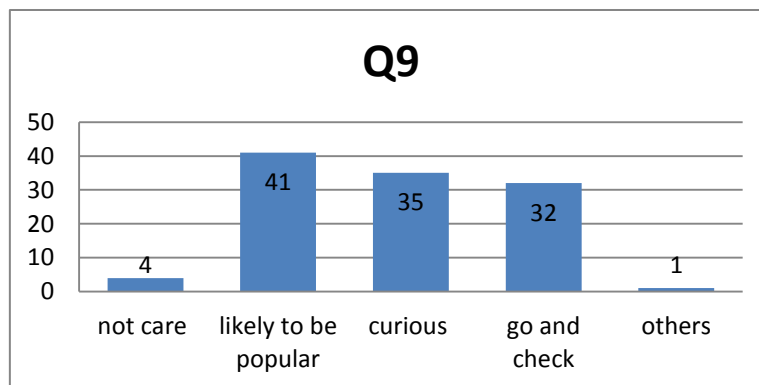
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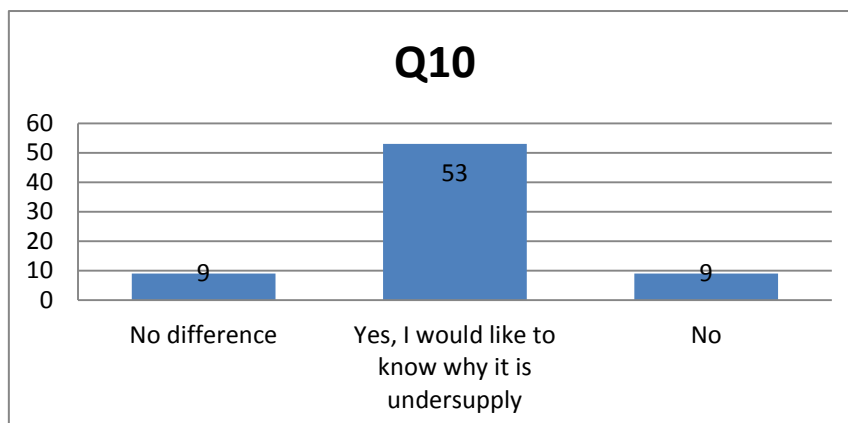
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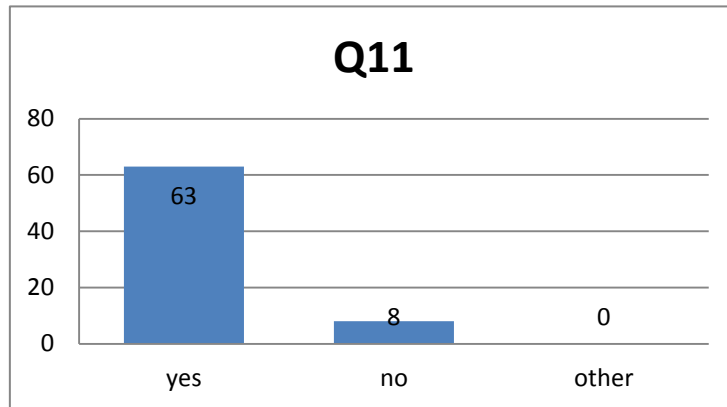
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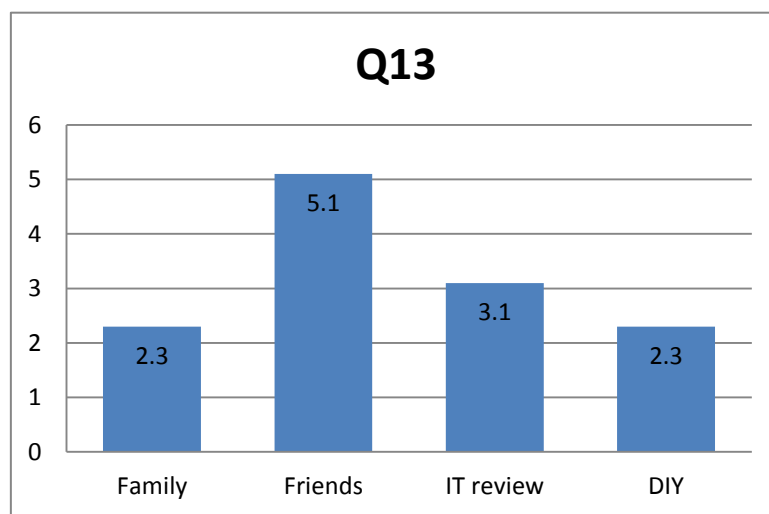
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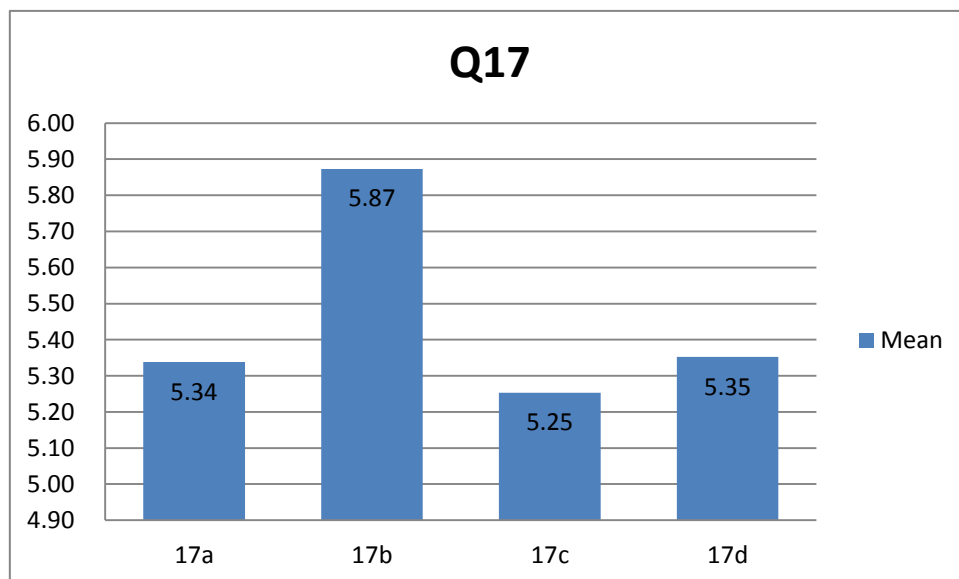
Question 10 result



Question 11 result



Question 13 result



Question 17 result